



33rd term (FY9/2024)

3Q Financial Results Supplemental Material

CAREER DESIGN CENTER CO., LTD. (2410)

August 1, 2024

1. Overview of Financial Results for 3Q (October 2023–June 2024)

2. 33rd-term Full-year Forecast (October 2023–September 2024)

1. Market Conditions

Companies continued to pause recruiting as in the first half. Meanwhile, those still offering jobs set higher criteria for recruiting. Consequently, the informal job offer rate was trending lower.

The job openings environment continued to change more significantly than initially expected as shown by the declining trend of the jobs-to-applicants ratio.

2. Result for the third quarter (October - June)

In the Media Information Business, the New Graduate Business and the IT Worker Dispatch Business, results have generally progressed in line with the earnings forecasts despite changes in the market environment.

The rate of acceptance of informal job offers dropped in the Personnel Placement Business which typically involves high unit prices for recruitment. This slowed the increase of successful contracts.

Upfront investments, such as expenses for the recruitment of engineers and personnel expenses, increased following the commencement of staffing services under indefinite-term employment contracts. On the other hand, costs, particularly advertising expenses and personnel expenses, were reduced.

However, cost reductions were not able to offset the lower-than-projected sales in the Personnel Placement Business, causing the results for the first nine-month period to fall short of the earnings forecasts.

33rd term 3Q Financial Results

(Million yen)

| | Results | Results in the previous fiscal year | YoY |
|------------------|---------|-------------------------------------|--------|
| Net sales | 13,340 | 13,064 | 102.1% |
| Operating profit | 1,096 | 1,324 | 82.8% |
| Ordinary profit | 1,100 | 1,317 | 83.5% |
| Profit | 752 | 904 | 83.2% |

33rd term 3Q costs

(Million yen)

| | Results | Results in the previous fiscal year | YoY |
|----------------------------|---------|-------------------------------------|--------|
| Total expenses | 12,239 | 11,747 | 104.2% |
| Personnel expenses | 3,887 | 3,577 | 108.7% |
| Advertising expenses | 1,774 | 1,680 | 105.6% |
| Dispatched worker salaries | 4,436 | 4,442 | 99.9% |
| Other | 2,142 | 2,048 | 104.5% |

33rd term 3Q Overview by Business (Media business/registrations)

(Million yen)

| | Net sales (YoY) | Ordinary profit (YoY) | Ordinary profit ratio | Overview |
|---------------------------|--------------------------|--------------------------|--------------------------|---|
| Media Business | 4,474 (107.1%) | 464 (138.1%) | 10.4% | <p>(1) Net sales in the Kansai area increased 28% YoY.</p> <p>(2) Job fairs and events drew satisfactory numbers of visitors and achieved higher sales.</p> <p>(3) Growth in sales in the engineer field, demand for which had been increasing during the recovery stage from COVID-19, slowed.</p> <p>(4) The number of applications remained strong despite reductions in advertising expenses.</p> |

| | 3Q Results | Results in the previous fiscal year | YoY |
|------------------------------|--------------|--|---------------|
| Engineers | 1,396 | 1,373 | 101.7% |
| Sales | 300 | 247 | 121.2% |
| type total | 2,012 | 1,887 | 106.6% |
| Onna no Tenshoku type | 2,324 | 2,178 | 106.7% |
| Fair Total | 167 | 128 | 130.5% |

33rd term 3Q Overview by Business (Media business/registrations)

| | | | |
|-----------------------|------------------------------|-----------------------|--|
| type | New membership registrations | YoY change 97.2% | New membership registrations decreased temporarily due to reductions in advertising expenses, although the Company focused on its own channels to attract registrants rather than external channels. |
| | Number of applications | YoY change 126.3 % | The use of an email newsletter service and IT tools played a crucial role in driving a significant year-on-year increase in the number of applications received. |
| Onna no Tenshoku type | New membership registrations | YoY change 104.8% | New membership registrations increased due to investments in advertising expenses. |
| | Number of applications | YoY change 114.4% | Applications for engineering job offers increased significantly. |

33rd term 3Q Overview by Business (Personnel Placement Business)

(Million yen)

| | Net sales (YoY) | Ordinary profit (YoY) | Ordinary profit ratio |
|---|--------------------|--------------------------|--------------------------|
| General Field | 2,252 (99.7%) | 205 (72.8%) | 9.1% |
| Mid- Career Field | 272 (112.6%) | 69 (120.1%) | 25.4% |
| Personnel Placement Business | 2,525 (101.0%) | 274 (80.8%) | 10.9% |

| Overview |
|---|
| <p>(1) Following a rapid increase in demand for hiring in the previous term, the sales, retail, and service sectors experienced a period of stabilization.</p> <p>(2) The impact of a decline in the informal job offer rate attributable to stricter hiring criteria persisted. Sales increased temporarily due to efforts to tap into job openings at new customers, and the implementation of measures for attracting job seekers for registrations, increasing the number of points of contact such as interviews and improving yields. However, growth in the number of successful contracts slowed.</p> <p>(3) The number of registered users increased due to the strengthening of initiatives aimed at increasing the number of points of contact (interviews, etc.), facilitating customer attraction through CDC's website, and promoting friend referral programs.</p> |
| <p>(1) Growth in the number of successful contracts slowed, reflecting stricter hiring standards and a decline in the informal job offer rate.</p> <p>(2) Efforts were made to strengthen training programs and study groups with a view toward improving employees' capabilities.</p> |

33rd term 3Q Overview by Business (New Graduate Business)

(Million yen)

| | Net sales (YoY) | Ordinary profit (YoY) | Ordinary profit ratio | Overview |
|-------------------------------|--------------------|--|--------------------------|---|
| New Graduate Recruitment Fair | 688 (104.8%) | 278 (98.8%) | 40.5% | (1) Strengthen efforts to find job openings mainly in the IT industry, targeting students who will graduate from university in FY2025. (2) The number of seminars held remained strong. (3) Implementing measures to increase student registrations led to an increase in the number of registered users. (4) Early events for internships for students who will graduate in FY2026 were held. |
| New Graduate Placement | 141 (85.0%) | ▲48 (Results in the previous fiscal year 3) | — | (1) Students who will graduate in FY2024 or FY2025 started seeking jobs earlier than students who graduated in previous years. (2) Growth in the number of registrations by students who will graduate in FY2025 slowed due to intensified competition with rival companies. |
| New Graduate Business | 830 (100.8%) | 229 (80.6%) | 27.7% | |

33rd term 3Q Overview by Business (IT Worker Dispatch Business)

(Million yen)

| | Net sales (YoY) | Ordinary profit (YoY) | Ordinary profit ratio | Overview |
|--|--------------------|--------------------------|--------------------------|---|
| Fixed-term Employment | 5,469 (98.3%) | 248 (69.7%) | 4.5% | <p>(1) The number of active workers increased thanks to efforts aimed at tapping into job openings from new customers and making more proposals regarding dispatched staff job openings.</p> <p>(2) The Company will step up its efforts to attract IT engineers for registrations.</p> <p>(3) In advertising, we revised the efficiency of external channels for attracting customers, and strengthened channels for acquiring customers directly through CDC.</p> |
| Indefinite-term Employment | 40 (—) | ▲116 (—) | — | <p>(1) We have been satisfactorily employing both new graduate and mid-career engineers. Ten new graduates joined CDC in April. Twenty mid-career engineers joined CDC.</p> <p>(2) The engineers who have been hired are working at a pace that is beyond our initial expectations.</p> |
| IT Worker Dispatch Business | 5,509 (99.1%) | 132 (37.0%) | 2.4% | |

33rd term 3Q 【Reference】Trends in quarterly business results

| | | 30th term | | | | 31st term | | | | 32nd term | | | | 33rd term | | |
|--|-----------------|-----------|-------|-------|-------|-----------|-------|-------|-------|-----------|-------|-------|-------|-----------|-------|-------|
| | | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q |
| Media Business | Net sales | 915 | 966 | 1000 | 1048 | 1,077 | 1,239 | 1,272 | 1,302 | 1,360 | 1,409 | 1,408 | 1,434 | 1,466 | 1,535 | 1,473 |
| | Ordinary profit | 42 | 10 | ▲33 | 8 | 101 | 80 | 30 | ▲34 | 149 | 123 | 62 | 64 | 200 | 150 | 114 |
| Personnel Placement BusinessGeneral Field | Net sales | - | - | - | - | 572 | 651 | 707 | 684 | 731 | 687 | 839 | 752 | 728 | 713 | 811 |
| | Ordinary profit | - | - | - | - | 15 | 51 | 66 | ▲19 | 79 | 33 | 169 | 55 | 53 | 26 | 125 |
| Personnel Placement BusinessMid-career Field | Net sales | - | - | - | - | 49 | 50 | 72 | 128 | 87 | 90 | 64 | 107 | 70 | 114 | 87 |
| | Ordinary profit | - | - | - | - | 11 | 10 | 23 | 62 | 29 | 25 | 2 | 30 | 0 | 44 | 24 |
| New Graduate Recruitment Fair Business | Net sales | 148 | 112 | 135 | 56 | 180 | 130 | 193 | 54 | 209 | 176 | 271 | 133 | 248 | 173 | 267 |
| | Ordinary profit | 62 | 41 | 43 | ▲21 | 88 | 46 | 76 | -40 | 102 | 58 | 121 | 17 | 112 | 33 | 132 |
| New Graduate Placement Business | Net sales | 28 | 27 | 55 | 54 | 32 | 37 | 83 | 89 | 36 | 48 | 82 | 92 | 36 | 40 | 64 |
| | Ordinary profit | ▲11 | ▲13 | 12 | 9 | ▲9 | ▲6 | 36 | 23 | ▲14 | ▲4 | 22 | 27 | ▲20 | ▲24 | ▲3 |
| IT Worker Dispatch BusinessFixed-term Employment | Net sales | 1,298 | 1,368 | 1,416 | 1,488 | 1,634 | 1,649 | 1,780 | 1,830 | 1,860 | 1,837 | 1,864 | 1,803 | 1,841 | 1,764 | 1,863 |
| | Ordinary profit | 94 | 112 | 91 | 92 | 105 | 108 | 146 | 125 | 122 | 106 | 129 | 73 | 103 | 67 | 78 |
| IT Worker Dispatch BusinessIndefinite-term Employment | Net sales | - | - | - | - | - | - | - | - | - | - | - | - | 2 | 11 | 26 |
| | Ordinary profit | - | - | - | - | - | - | - | - | - | - | ▲1 | ▲9 | ▲29 | ▲27 | ▲59 |
| Total | Net sales | 2,792 | 2,989 | 3,145 | 3,164 | 3,547 | 3,759 | 4,110 | 4,090 | 4,284 | 4,249 | 4,530 | 4,323 | 4,393 | 4,353 | 4,593 |
| | Ordinary profit | 70 | 141 | 92 | 58 | 313 | 292 | 379 | 116 | 470 | 341 | 506 | 259 | 419 | 269 | 411 |

1. Overview of Financial Results for 3Q
(October 2023–June 2024)

2. 33rd-term Full-year Forecast
(October 2023–September 2024)

1. Full-year Earnings Forecast

Although the change in the job openings environment in the current period was greater than initially anticipated, the Media, New Graduate and IT Worker Dispatch Businesses remained firm, showing progress generally in line with earnings forecasts.

In the Media Business, steady growth is expected through efforts aimed at increasing unit prices and reducing advertising expenses.

In the IT Worker Dispatch Business, the number of active dispatched staff started to increase thanks to efforts aimed at tapping into job openings from new customers and increasing the number of proposals regarding dispatched staff job openings, which is expected to result in both in sales and ordinary profit increasing year on year in the fourth quarter.

On the other hand, in the Personnel Placement Business, the unit price of recruitment is higher than the other businesses, but earnings are expected to be significantly lower than the initial forecast.

This is attributable to internal factors, particularly a decline in the job seekers-and job-openings matching ratio as a result of a delay in tapping into job offerings from new customers, as well as external factors such as a decline in the informal job offer rate, reflecting stricter hiring standards.

As other businesses were unable to offset the worsening financial results of the Personnel Placement Business, the earnings forecast has been revised downward.

33rd-term Full-year Results Forecast

(Million yen)

| | Previous forecast | Revised forecast | Results in the previous fiscal year YoY | YoY |
|------------------|-------------------|------------------|---|--------|
| Net sales | 18,370 | 17,780 | 17,388 | 102.3% |
| Operating profit | 1,764 | 1,429 | 1,585 | 90.2% |
| Ordinary profit | 1,750 | 1,430 | 1,577 | 90.7% |
| Profit | 1,203 | 989 | 1,163 | 85.0% |

2. 4Q Initiatives

(1) Media Business

Strengthen the development of new customers and continue to seek to increase selling prices.

(2) Personnel Placement Business

We are stepping up efforts to attract registrations for positions mainly including IT engineering positions, and are increasing the number of points of contact. We will carry out initiatives to increase yield in an effort to increase the number of successful contracts. Additionally, we are intensifying our efforts to develop new client opportunities.

(3) New Graduate Business

Keep up the efforts to increase the number of events and successful contracts.

(4) IT Worker Dispatch Business

In the IT engineers for fixed-term employment, the Company will continue to step up its efforts to attract IT engineers for registrations, while also working to tap into job openings from our new customers and make more proposals regarding dispatched staff job openings.

With both new graduate recruitment and mid-career recruitment steady in the indefinite-term employment, the number of people to be recruited is expected to be higher than the initial plan.

(5) Cost

We will reduce advertising expenses in consideration of the status of sales, while simultaneously stepping up efforts to attract applicants, particularly IT engineers applying to be registered users. At the same time, we will enhance efficient routes, such as CDC's website and friend referral programs, to attract people applying to be registered users.

Progress of New Full Year Initiatives

New initiatives targeting new markets **to seek the creation of a new revenue base.**

■ Launch Direct type

We have been steadily attracting registered users for IT engineer positions, and the number of successful placements with client companies is increasing.

We will continue to implement measures to attract more registered users, while aiming to expand as a service to support the recruitment of IT engineers.

Number of hires via Dtype (quarterly trends)

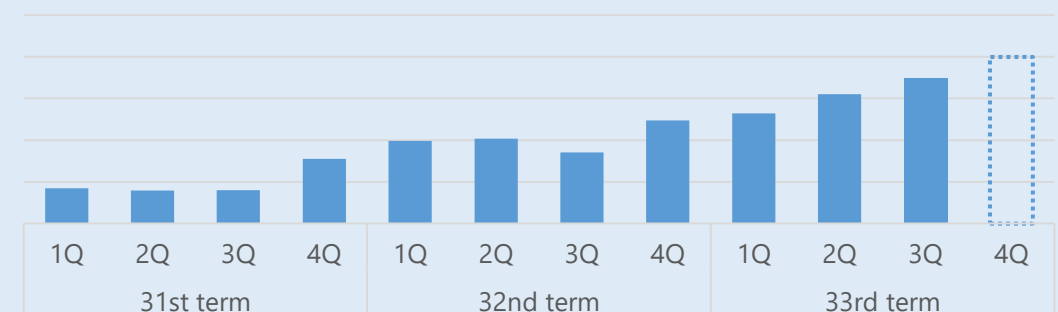


■ Sales expansion in the Kansai area

Net sales have been steadily increasing in proportion to the increase in recognition of us.

We will keep strengthening promotions to improve recognition and attract more registered users, with the aim to increase earnings even more.

Osaka Area sales trends



33rd-term Full-year Treasury Shares

1.Acquisition of Treasury Shares

Date of acquisition : July 18, 2024

Total number of shares acquired : 352,700 shares (4.99% of the total number of shares issued)

Total acquisition value of shares : 645,441,000 yen

2.Cancellation of Treasury Shares

Scheduled date of cancellation : July 31, 2024

Total number of shares cancelled : 1,556,479 shares (22.06% of the total number of shares issued)

Total number of shares outstanding after the cancellation : 5,497,921 share

Number of treasury shares after the cancellation : 270,000 shares (4.9% of the total number of shares issued)

References

| | |
|----------------|---|
| Company name | CAREER DESIGN CENTER CO., LTD. |
| Establishment | July 8, 1993 |
| Representative | Hiromi Tada, Chairman and CEO |
| Address | Akasaka Long Beach Building, 3-21-20, Akasaka, Minato-ku, Tokyo |
| Capital | 558,660,000 |
| Listing | Tokyo Stock Exchange Prime Market (stock code: 2410) |

Sustainability Management Pursued by CDC



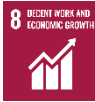











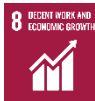

We will provide working people with necessary assistance including career selection assistance to ensure that they lead prosperous lives, and, under proper corporate governance, we, as a company trusted by society, will create both social value and economic value through businesses, thereby seeking to contribute to a sustainable society and improve corporate value.

Corporate Philosophy

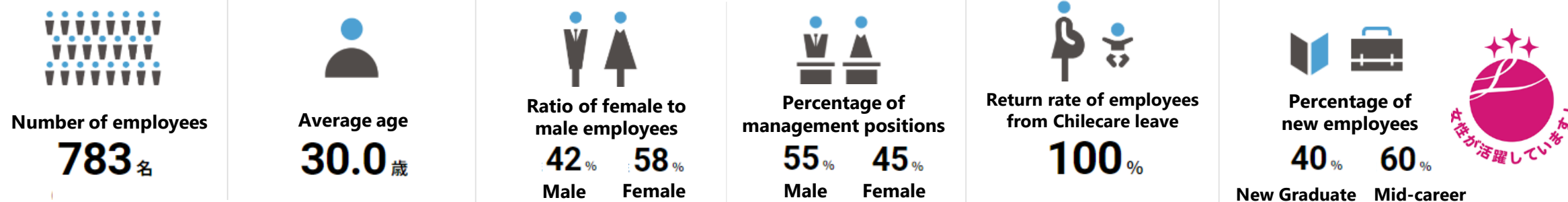


Vision **Creation of a "society in which working people have good jobs and lead good lives"**

Material issues

- 1 Respecting diversity and creating an environment that values engagement**
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- 2 Energizing companies and facilitating economic growth**
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- 3 Realizing diverse workstyles that match the sense of value and workstyle requests of each individual**
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- 4 Strengthening corporate governance**
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- 5 Providing job seekers with opportunities for career development while also working to improve their standard of living**
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● Respecting diversity



● Environmental management



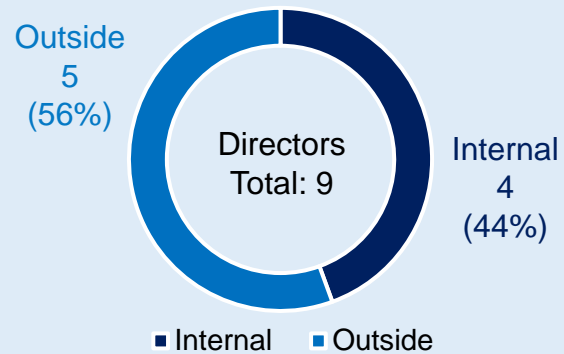
We believe that dialog with stakeholders, including shareholders and investors, is important for the Earth and the sustainable growth of companies. Therefore, we expressed our support for the Task Force on Climate-related Financial Disclosures (TCFD) in October 2023 while joining the TCFD Consortium at the same time.

| Item | Separate item | 2021.9 | 2022.9 | 2023.9 |
|--|--------------------------------------|--------|--------|--------|
| Greenhouse gas emissions (Unit: t-CO2) | Scope 1 (Utility gas consumption) | — | — | — |
| | Scope 2 (Power consumption) | 326.6 | 334.9 | 290.7 |
| Amount of paper actually consumed (Index with the amount used in the fiscal year ended September 30, 2020 set as 100) | | 45.1 | 40.5 | 34.8 |

Governance initiatives

Working appropriately and cooperatively with stakeholders is essential for achieving sustainable corporate growth and creating corporate value on a medium- to long-term basis. With this in mind, our basic policy on corporate governance is to respect each person's position, increase management transparency, expedite decision-making processes and strengthen supervisory functions while also maximizing corporate value with proper corporate governance.

Composition of the Board of Directors

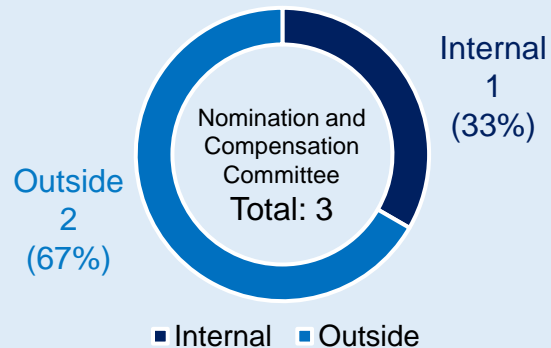


The Board of Directors comprises 9 members, specifically, four Internal Directors and five Outside Directors.

In addition, to increase management transparency and further expedite a decision-making process, we transitioned to being a company with an Audit and Supervisory Committee according to a resolution passed at the Annual General Meeting of Shareholders held on December 27, 2021.

The Audit and Supervisory Committee consists of three Directors (one full-time Audit and Supervisory Committee Member and two Outside Directors who are Audit and Supervisory Committee Members).

Composition of the Nomination and Compensation Committee



The Company has a Nomination and Compensation Committee, which is a non-statutory advisory committee chaired by an independent Outside Director and composed of one Internal Director (Chairman and President and Representative Director) and two Outside Directors.

Two committee meetings were held in the fiscal year ended September 30, 2023.

Disclaimer

The industry trends, analyses, future outlook, strategies and other information presented today are determinations made by Company management based on currently available information, but various factors may cause significant changes to the environment surrounding business in the future. Therefore, please note that future strategies and business performance may vary significantly from the information presented today.