

FY9/2022 (31st term)

Financial Results Briefing for the First Half

Wednesday, May 11, 2022

CAREER DESIGN CENTER CO., LTD.



CAREER DESIGN CENTER

1. Financial Results for the First Half of the Fiscal Year Ending September 30, 2022 (31st term)
2. Forecasts for the Fiscal Year Ending September 30, 2022 (31st term)
3. Reference

Comparative Analysis with the Previous Fiscal Year

1. Due to the absorption type merger of a subsidiary on April 1, 2021, there was a shift to non-consolidated financial results starting from the first nine months of the previous fiscal year.
2. The results from the first half of the previous fiscal year for the subsidiary have been excluded from the non-consolidated financial results for the fully year, and as the targets for comparison differ, no comparative analysis with the previous fiscal year has been performed.
3. As reference figures, a comparative analysis has been performed by adding the results of consolidated subsidiaries up to the second quarter of the previous fiscal year to the non-consolidated results of the previous fiscal year.
Also note that since the new revenue recognition standards have been applied since the beginning of the fiscal year under review, for the results of the previous fiscal year figures calculated using methods based on different standards are used.

<Overview of financial results for the fiscal year ended September 30, 2021>

	First half		Second half		Full year
Media	[Non-consolidated Financial Results]		[Non-consolidated Financial Results]		[Non-consolidated Financial Results]
Personnel Placement	Parent company				First half Results of the parent company
New Graduate Placement			Absorption type merger of subsidiary effective April 1, 2021		
New Graduate Media		+		=	
IT Worker Dispatch	* Consolidated subsidiaries				+
					Second half Results of all businesses
Total	[Consolidated Results] Parent company + Subsidiaries				

Impact Due to the New Revenue Recognition Standards

From the beginning of the fiscal year ending September 31, 2022, changed accounting standards for net sales have been applied as below.

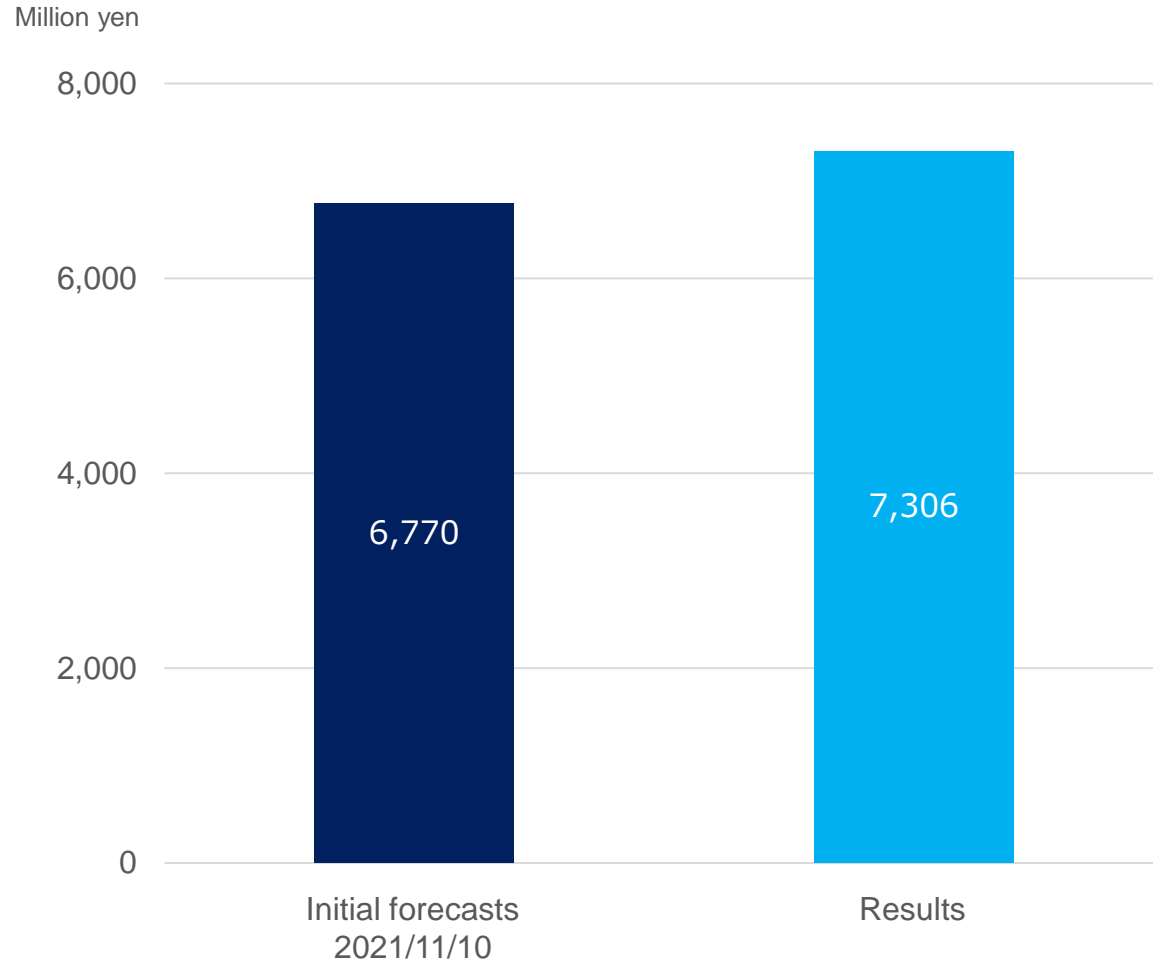
		Previous standard	New standard
Media Business	Sales from advertising	(1) Sales recording dates: Batch date when ads are posted (2) Price allocation: no	(1) Sales recording dates: time distributed (2) Price allocation: yes
	Agent net sales	(1) Gross (total amount) (2) Rebates: SG&A expenses	(1) Net (net amount excluding rebates) (2) Rebates: negative sales
Personnel Placement Business	Net sales from outside affiliates	(1) Net (net amount excluding affiliate commissions) (2) Affiliate commission: negative sales	(1) Gross (total amount) (2) Affiliate commissions (cost of sales)

FY9/2022 H1: Financial Results

(Million yen)	Initial forecasts Nov. 10, 2021	Revised upward (1) Jan. 31, 2022	Revised upward (2) Mar. 15, 2022	Results
Net sales	6,770	7,110	7,280	7,306
Operating profit	276	401	601	606
Ordinary profit	275	400	600	605
Profit	220	287	460	416

* The results from the first half of the previous fiscal year for the subsidiary have been excluded from the non-consolidated financial results for the fully year, and as the targets for comparison differ, no comparative analysis with the previous fiscal year has been performed.

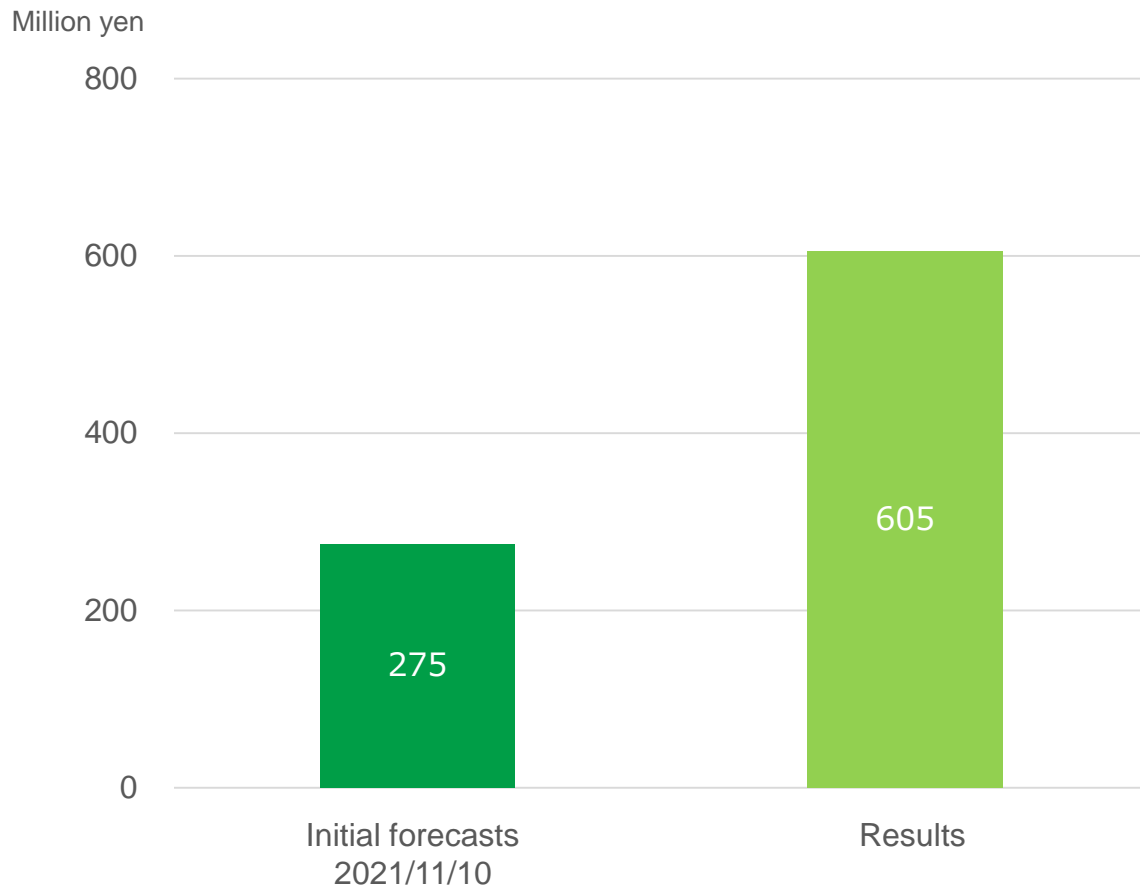
FY9/2022 H1: Net Sales



Initial forecast **6,770** million yen
Result **7,306** million yen

Areas aimed at IT and women have recovered, with sales increasing in each business.

FY9/2022 H1: Ordinary Profit



Initial forecast **275** million yen

Result **605** million yen

Although an additional investment of approximately 200 million yen was made on advertising expenses to strengthen cost effectiveness for recruiting companies due to the increase in the number of job openings, ordinary profit ended up significantly higher than the initial forecast.

FY9/2022 H1: Summary of Results

Net sales

- Companies' recruitment demand has recovered particularly in the IT field, and the number of companies doing business with CDC has increased
- Recovery in the market for women, which had been slowing down, is also on the recovery track

Expenses

- An additional investment of approximately 200 million yen was made on advertising expenses to strengthen cost effectiveness for recruiting companies due to the increase in the number of job openings

Ordinary profit

- Impact due to new variants of COVID-19 was less than expected, and the forecast has been revised upwards considerably from the initial forecast.
- The trend of improvement has continued in step with higher net sales

FY9/2022 H1: Expenses

(Million yen)	Initial forecasts 2022/11/10	Results
Net sales	6,770	7,306
Total expenses	6,495	6,701
Personnel expenses	2,079	2,029
Advertising expenses	667	863
Dispatched worker salaries	2,551	2,635
Other	1,161	1,003
Ordinary profit	275	605

* The results from the first half of the previous fiscal year for the subsidiary have been excluded from the non-consolidated financial results for the fully year, and as the targets for comparison differ, no comparative analysis with the previous fiscal year has been performed.

FY9/2022 H1: Business Overview

(Million yen)

			(YoY)	
Media	Net sales	2,317	123%	<ul style="list-style-type: none"> • Driven by performance in "engineer" and "women" fields • Development of new customers has been strengthened, leading to an increase in the number of companies doing business with CDC
	Ordinary profit	63	121%	
Personnel Placement	Net sales	1,325	132%	<ul style="list-style-type: none"> • Recovery trend mainly in the IT industry • Gradual recovery in the areas aimed at women and sales
	Ordinary profit	89	- 126 million yen	
New Graduate Media	Net sales	311	119%	<ul style="list-style-type: none"> • Strong performance attracting customers to events aimed at 2024 graduates • Registrations increased by taking events online
	Ordinary profit	135	130%	
New Graduate Placement	Net sales	69	124%	<ul style="list-style-type: none"> • Number of contracts signed increased, mainly for job offers in the IT industry • Job seeking activities for 2023 graduates has started earlier
	Ordinary profit	-0.16	- 25 million yen	
IT Worker Dispatch	Net sales	3,283	-	<ul style="list-style-type: none"> • 1,371 dispatched staff (125% YoY)
	Ordinary profit	214	-	

* The results from the first half of the previous fiscal year for the subsidiary have been excluded from the non-consolidated financial results for the fully year, and as the targets for comparison differ, no comparative analysis with the previous fiscal year has been performed.

* As adjustments due to new revenue recognition accounting standards, in addition to ordinary profit in each business, 120 million yen was recorded in the first half of the fiscal year.

FY9/2022 H1: Overview of the Media Business

Media Business

Net sales **2,317** million yen (up 23% year on year)
Ordinary profit **63** million yen (up 21% year on year)

External environment

- There is strong recruitment demand in the engineer field, and for recruitment market for women, whose recovery had slowed, is also on the recovery track.
- Recruitment demand in the sales field is on a gradual recovery trend.

Sales

- By strengthening the development of new customers with a focus on the IT industry, net sales have far exceeded initial forecasts
- Efforts to attract female engineers, expand sales in the Osaka area and gain corporate advertising in email newsletters were strengthened

Registrations

- Additional investments were made in advertising expenses to strengthen the acquisition of registered users, leading to strong performance

FY9/2022 H1: Net Sales YoY by Product

(Million yen)

Engineers	861	112%	<ul style="list-style-type: none"> • Upward trend in recruitment demand
Sales	128	91%	
Other	167	100%	
type total	1,157	107%	
Onna no Tenshoku type	963	137%	<ul style="list-style-type: none"> • Recovery trends mainly in sales and engineering job types
Engineer Job Fairs	88	132%	<ul style="list-style-type: none"> • Online and in-person events held concurrently
Women's Job Fairs	-	-	
Fair Total	88	113%	

FY9/2022 H1: YoY Performance for Products

type	New membership registrations	132%	<ul style="list-style-type: none">Increased due to additional investment in advertising expenses
	Number of applications	66%	<ul style="list-style-type: none">Temporarily increased due to the effects of COVID-19 in the previous fiscal year This year applications returned to pre-pandemic levels
Onna no Tenshoku type	New membership registrations	114%	<ul style="list-style-type: none">Increased due to additional investment in advertising expenses
	Number of applications	89%	<ul style="list-style-type: none">Temporarily increased due to the effects of COVID-19 in the previous fiscal year This year applications returned to pre-pandemic levels

FY9/2022 H1: Additional Investment in Advertising

Web advertising

Advertising efforts were strengthened with an emphasis placed on new IT engineer members and higher numbers of applications for the type brand, with the aim of acquiring new membership registrations.

■ バナー広告

※サイトは一例です。広告配信は最適化がかかるため、すべての媒体に常時掲出されるとは限りません。予めご了承ください。



Transportation advertising, video advertisements

Advertisements were placed on main train lines in the Tokyo metropolitan area including the Yamanote line, JR lines in the Tokyo metro area and the Yokohama Municipal Subway, with the aim of improving site recognition



FY9/2022 H1: Overview of the Personnel Placement Business

Personnel Placement Business

Net sales **1,325** million yen (up **32%** year on year)

Ordinary profit **89** million yen (-**126** million yen in the previous year)

External environment

- There is high recruitment demand in the engineer and mid-level fields, and recruitment demand in the fields for sales and women is also on a recovery track

Sales

- The number of successful contracts in the fields of engineers and women increased, with net sales far exceeding forecasts

Registrations

- Competition with competitors intensified and slightly slowed new registrations

New Graduate Media Business

Net sales **311** million yen (up **19%** year on year)
Ordinary profit **135** million yen (up **30%** year on year)

External environment

- There are no major changes to the recruitment numbers for students expected to graduate in FY2024, and recruitment demand has increased for both FY2023 and FY2024 graduating students

Sales

- The number of companies doing business with CDC has increased due to efforts to strengthen the development of new accounts
- The number of companies doing business with CDC has increased due to seminars aimed at science students and women, and individual seminars tailored to the recruitment needs of individual companies

Attracting customers

- Events were held online multiple times. The events attracted students from around Japan and led to strong performance

New Graduate Placement Business

Net sales **69** million yen (up **24%** year on year)

Ordinary profit **-16** million yen (**-25** million yen in the previous year)

External environment

- For students scheduled to graduate in FY2022, recruitment demand is high, particularly for job offers in the IT industry

Sales

- The number of contracts signed increased due to efforts to strengthen the development of accounts

Attracting customers

- Job seeking activities of students expecting to graduate in FY2023 have kicked off early, resulting in strong results in attracting customers

IT Worker Dispatch Business

Net sales **3,283** million yen (-% year on year)
Ordinary profit **214** million yen (-% year on year)

External environment

- Dispatched staff have continued to work through work-from-home and remote work formats

Sales

- We have focused on our strength in the development of new customers for the IT industry and increased the number of companies doing business with CDC

Registrations

- The number of new registrations has been steady, and the number of new dispatches has also remained strong

Five-Year Plan: Progress of New Projects

	Key Measures	Net sales	Registrations
1	Promotion of direct recruiting service	Performing well at a pace exceeding expectations	Efforts at further strengthening will be made to coincide with sales performance
2	Attracting more companies to advertising in web magazines		
3	Strengthening job offers for female engineers and new registrations acquired		
4	Expanding sales in the Kansai area and strengthening new registrations acquired		
5	Attracting more business in the mid-career placement field		

Of the 7.3 billion yen in net sales in the first half of the year, around 360 million yen (about 5% of total sales) was due to the above new projects, and the projects are expected to contribute to net sales to a similar degree in the full-year results.

FY9/2022 H1: Balance Sheet

(Million yen)	FY9/2021 (30th term)	FY9/2022 (31st term) H1
Assets		
Current assets	4,082	4,141
Non-current assets	1,775	1,734
Total assets	5,858	5,875
Liabilities		
Current liabilities	1,693	2,204
Non-current liabilities	216	1,088
Total liabilities	1,910	3,292
Net assets		
Shareholders' equity	-	-
Total net assets	3,948	2,583
Total liabilities and net assets	5,858	5,875

Reference Materials

(Comparison with the Previous Fiscal Year)

Comparison based on total of non-consolidated results for the first half of the fiscal year ended September 30, 2021 and results of consolidated subsidiaries up to the second quarter

Due to the absorption type merger of a consolidated subsidiary on April 1, 2021, a shift to non-consolidated financial results was made from the third quarter of the previous fiscal year.

(Reference) Comparison When the Results of Consolidated Subsidiaries are Included in the Results of the Previous Fiscal Year

(Million yen)	Initial forecasts 2021/11/11	Results	Results in the previous fiscal year	YoY
Net sales	6,770	7,306	5,782	126%
Operating profit	276	606	191	317%
Ordinary profit	275	605	211	287%

Total including results of consolidated subsidiaries
in the previous fiscal year's results

(Reference) FY9/2022 H1: Expenses

(Million yen)	Initial forecasts 2021/11/11	Results	Results in the previous fiscal year	YoY
Net sales	6,770	7,306	5,782	126%
Total expenses	6,495	6,701	5,570	120%
Personnel expenses	2,079	2,029	1,963	103%
Advertising expenses	667	863	516	167%
Dispatched worker salaries	2,551	2,635	2,137	123%
Other	1,161	1,003	947	106%
Ordinary profit	275	605	211	287%

Total including results of consolidated subsidiaries
in the previous fiscal year's results

(Reference) FY9/2022 H1: Business Overview

(Million yen)

(YoY)

Business Segment	Item	Value	YoY Change	Notes
Media	Net sales	2,317	123%	<ul style="list-style-type: none"> • Driven by performance in "engineer" and "women" fields • Development of new customers has been strengthened, leading to an increase in the number of companies doing business with CDC
	Ordinary profit	63	121%	
Personnel Placement	Net sales	-1,325	132%	<ul style="list-style-type: none"> • Recovery trend mainly in the IT industry • Gradual recovery trends in areas aimed at women and sales
	Ordinary profit	89	-126 million yen	
New Graduate Media	Net sales	311	119%	<ul style="list-style-type: none"> • Strong performance attracting customers to events aimed at 2024 graduates • Registrations increased by taking events online
	Ordinary profit	135	130%	
New Graduate Placement	Net sales	69	124%	<ul style="list-style-type: none"> • Number of contracts signed increased, mainly for job offers in the IT industry • Job seeking activities for 2023 graduates has started earlier
	Ordinary profit	16	-25 million yen	
IT Worker Dispatch	Net sales	3,283	123%	<ul style="list-style-type: none"> • 1,371 dispatched staff (125% YoY)
	Ordinary profit	214	104%	

Total including results of consolidated subsidiaries in the previous fiscal year's results

* As adjustments due to new revenue recognition accounting standards, in addition to ordinary profit in each business, 120 million yen was recorded in the first half of the fiscal year.

FY9/2022 H1: Statement of Cash Flow

(Million yen)	FY9/2021 (30th term) H1	FY9/2022 (31st term) H1
Cash flows from operating activities	133	949
Profit before income taxes	211	605
Depreciation	157	178
Income taxes paid	55	-31
Cash flows from investing activities	-284	-154
Purchase of property, plant and equipment	-22	-1
Purchase of intangible assets	-260	-151
Cash flows from financing activities	-123	-854
Dividends paid	-134	-235
Net increase (decrease) in cash and cash equivalents	-275	-97
Cash and cash equivalents at beginning of period	2,439	2,519
Cash and cash equivalents at end of period	2,163	2,422

Total including results of consolidated subsidiaries
in the previous fiscal year's results

Issues

- Improving cost effectiveness for recruiting companies in all businesses due to the increase in the number of job offerings
- Acquiring registrations from engineers due to the higher recruitment demand in the IT field

Policies

- Implement a policy of making appropriate investments in areas where investment had been constrained
- In particular, increase advertising expenses in the media business and improve the acquisition of registrations from engineers
- Invest in recruitment and personnel expenses to strengthen hiring in anticipation of expanded business results
- Continue to strengthen the financial base and build foundations for growth by reinforcing existing businesses and enhancing new measures

FY9/2022: Forecasts

(Million yen)	Initial forecasts 2021/11/11	Revised upward Mar. 15, 2022	Share in net sales	Results in the previous fiscal year
Net sales	13,755	14,760	100%	9,436
Operating profit	502	802	5%	140
Ordinary profit	500	800	5%	155
Profit	395	610	4%	927
Dividends per share	TBD	TBD	-	35 yen Ordinary dividend 30 yen Special dividend 5 yen

* The results from the first half of the previous fiscal year for the subsidiary have been excluded from the non-consolidated financial results for the fully year, and as the targets for comparison differ, no comparative analysis with the previous fiscal year has been performed.

FY9/2022: Expenses

(Million yen)	Initial forecasts 2021/11/11	Revised upward Mar. 15, 2022	Results in the previous fiscal year	Factors
Net sales	13,755	14,760	9,436	
Total expenses	13,255	13,960	9,281	
Personnel expenses	4,342	4,340	3,822	
Advertising expenses	1,350	2,000	1,244	Additional investment due to the increase in net sales
Dispatched worker salaries	5,205	5,320	2,313	Increase in net sales
Other	2,357	2,300	1,902	
Ordinary profit	500	800	155	

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H2: Osaka - large-scale advertising campaign

Strengthen promotions in Osaka to expand recognition in the Kansai area

Net sales in the Osaka area have steadily expanded due to new projects being pursued, and in the future we will continue to implement measures to attract more registered users with the aim of further expanding business results.



type



Onna no Tenshoku type



©Moomin Characters™

Digital signage and posters inside the Osaka Metro Midosuji Line Umeda Station building

With this promotion, the number of new registrations and applications for the Onna no Tenshoku type service increased especially.

Reference Materials

(Comparison with the Previous Fiscal Year)

Comparison based on total of non-consolidated results for the fiscal year ended September 30, 2021 and results of consolidated subsidiaries up to the second quarter

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(Reference) Comparison When the Results of Consolidated Subsidiaries are Included in the Results of the Previous Fiscal Year

(Million yen)	Initial forecasts 2020/11/10	Revised upward Mar. 15, 2022	Share in net sales	Results in the previous fiscal year	YoY rise
Net sales	13,755	14,760	100%	12,091	122%
Operating profit	502	802	5%	342	234%
Ordinary profit	500	800	5%	362	220%

Total including results of consolidated subsidiaries
in the previous fiscal year's results

(Reference) FY9/2022: Expenses

(Million yen)	Initial forecasts 2021/11/11	Revised upward Mar. 15, 2022	Results in the previous fiscal year	YoY rise
Net sales	13,755	14,760	12,091	122%
Total expenses	13,255	13,960	11,729	119%
Personnel expenses	4,342	4,340	4,040	107%
Advertising expenses	1,350	2,000	1,280	156%
Dispatched worker salaries	5,205	5,320	4,450	120%
Other	2,357	2,300	1,959	117%
Ordinary profit	500	800	362	220%

Total including results of consolidated subsidiaries
in the previous fiscal year's results



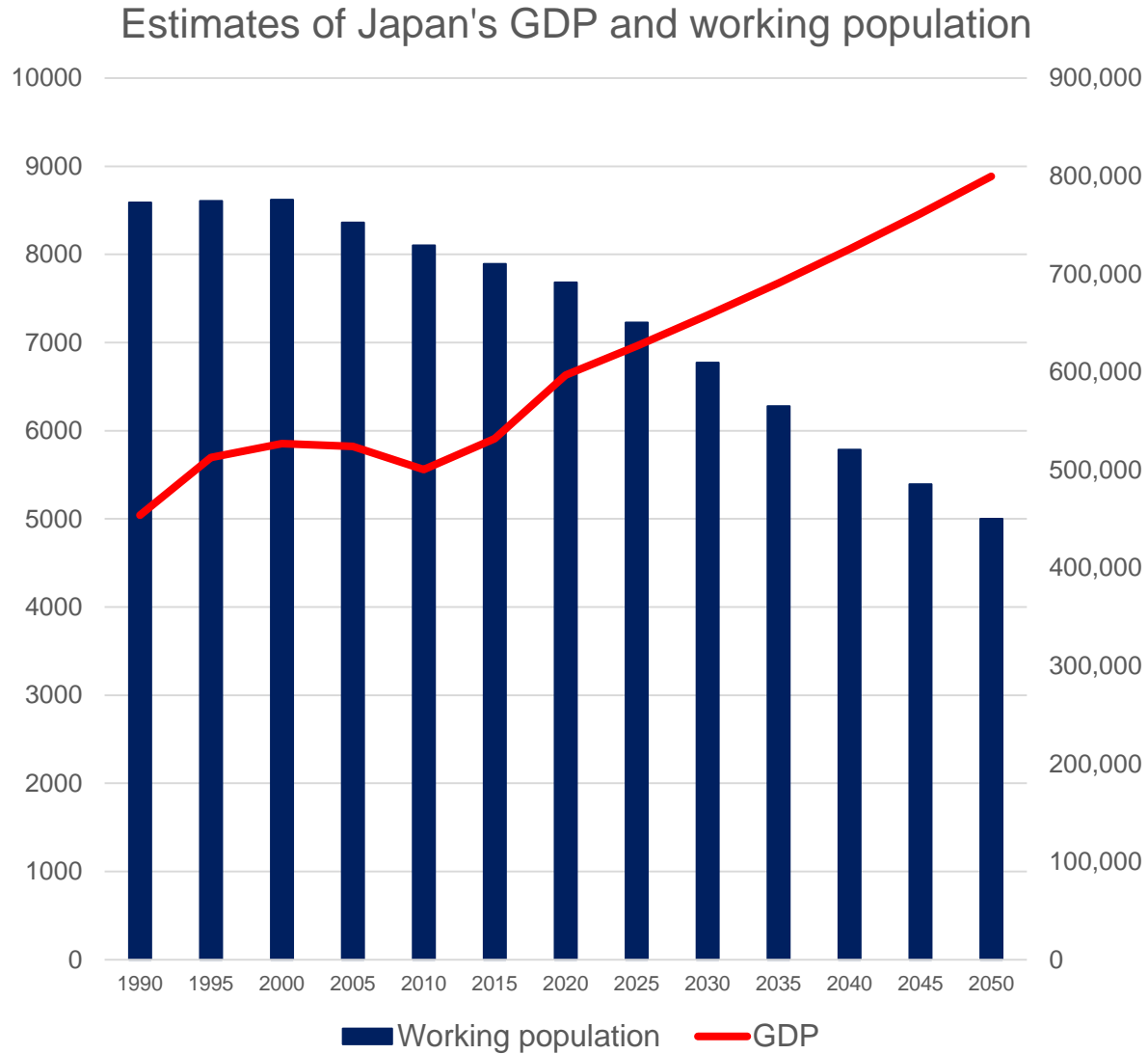
Our Management Philosophy/Mission

Revitalize companies and contribute to the development of the Japanese economy through the mobility of high-quality human resources

Since it was founded in 1993, Career Design Center (CDC) has operated under the corporate ethos of "good jobs and good lives" and distinguished itself from the competition by expanding its business with a focus on highly career-oriented engineers, salespeople and women. We strive to establish a next-level career change market through the type brand.

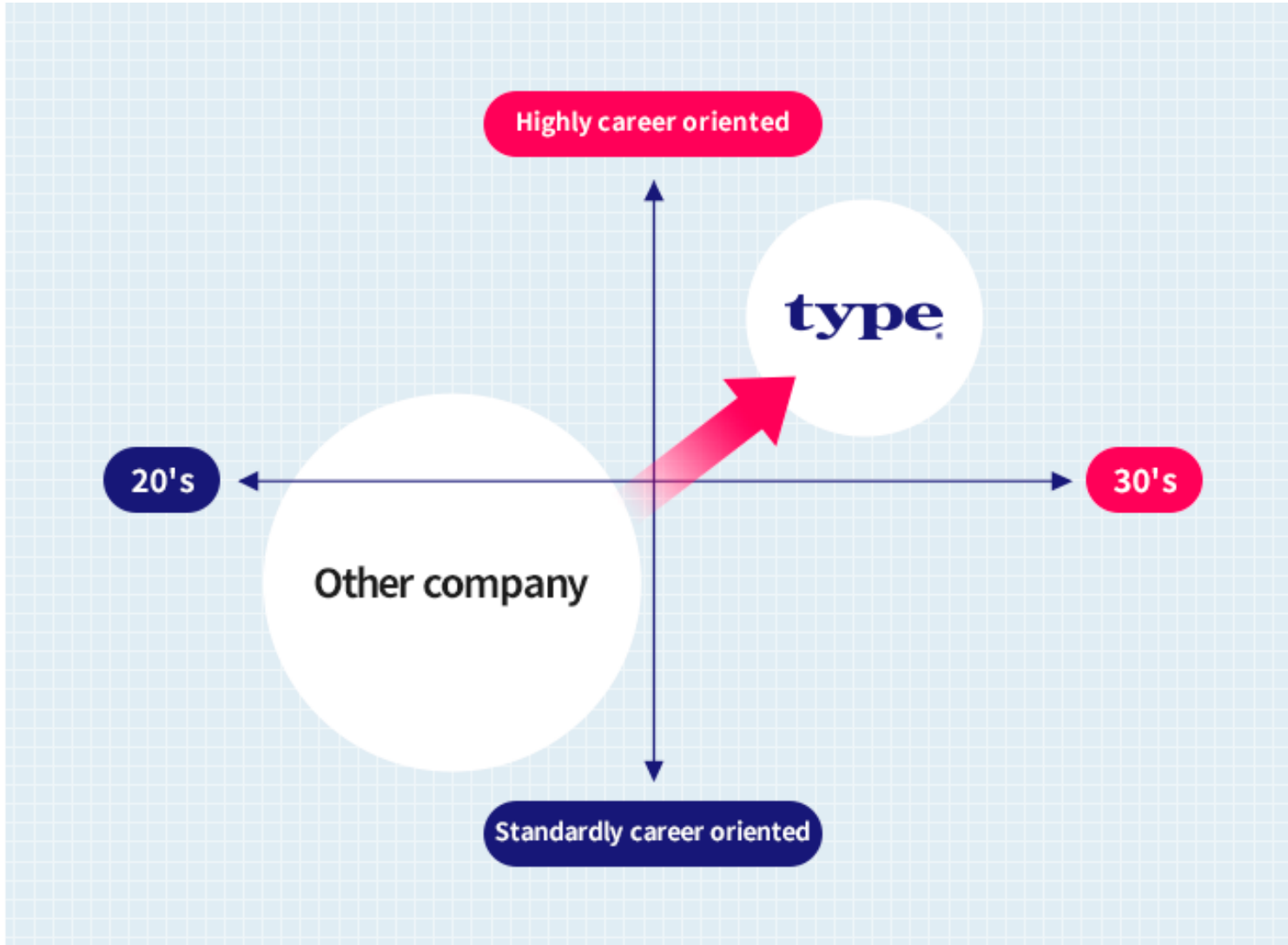
CDC is working to expand its media mix of individual products and services in the media information business, placement business, new graduate market business and worker dispatch business while continuing to enhance synergistic effects through the **type** brand with the aim of invigorating companies and contributing to the development of the Japanese economy through the mobility of high-quality human resources.

Mission



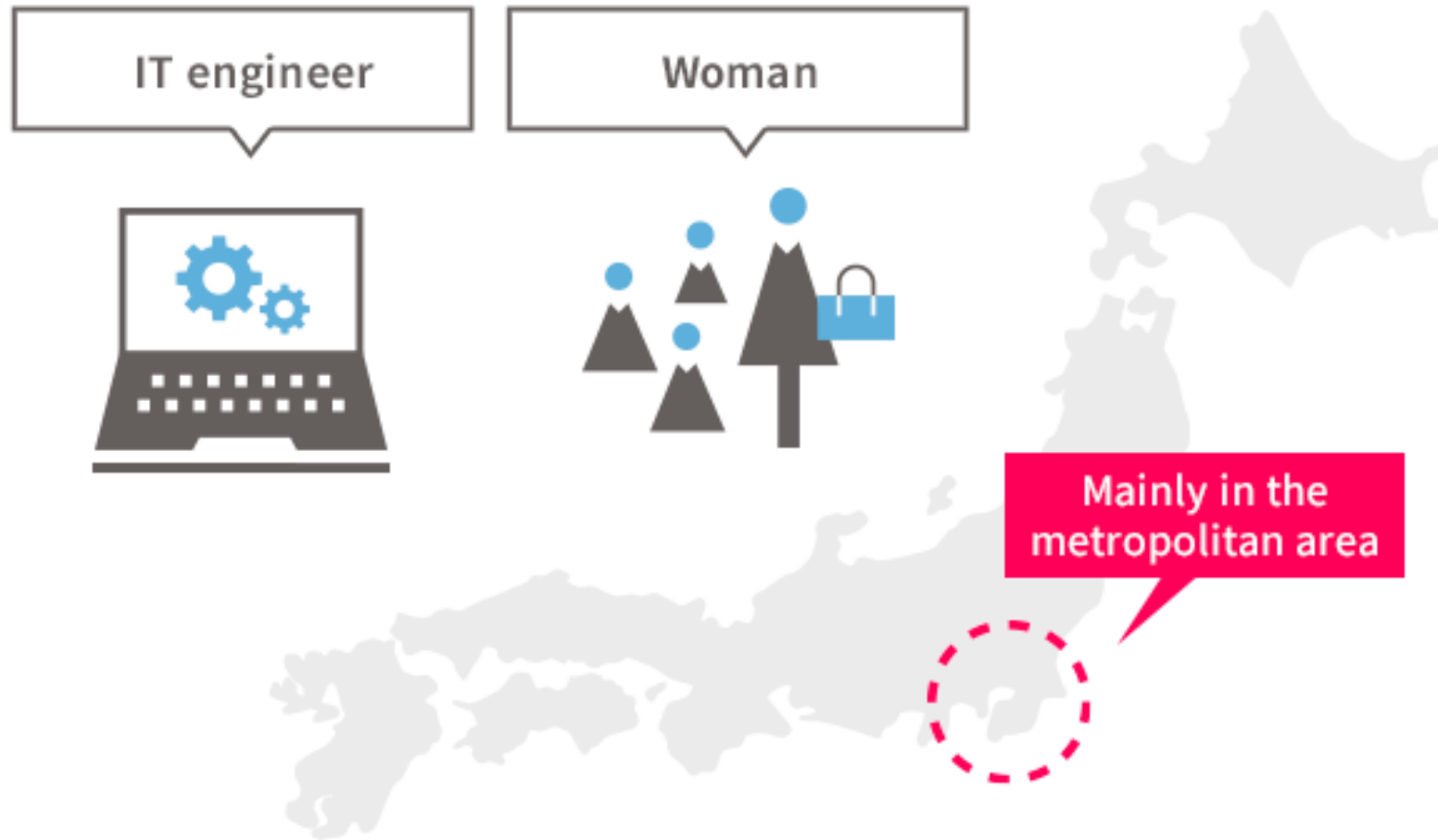
Contribute to the growth of the Japanese economy through the mobility of human resources

Business Concept



The **level** of highly career-oriented recruitment

Markets We Target











Metropolitan area
×
I T engineer
Woman

Business Model

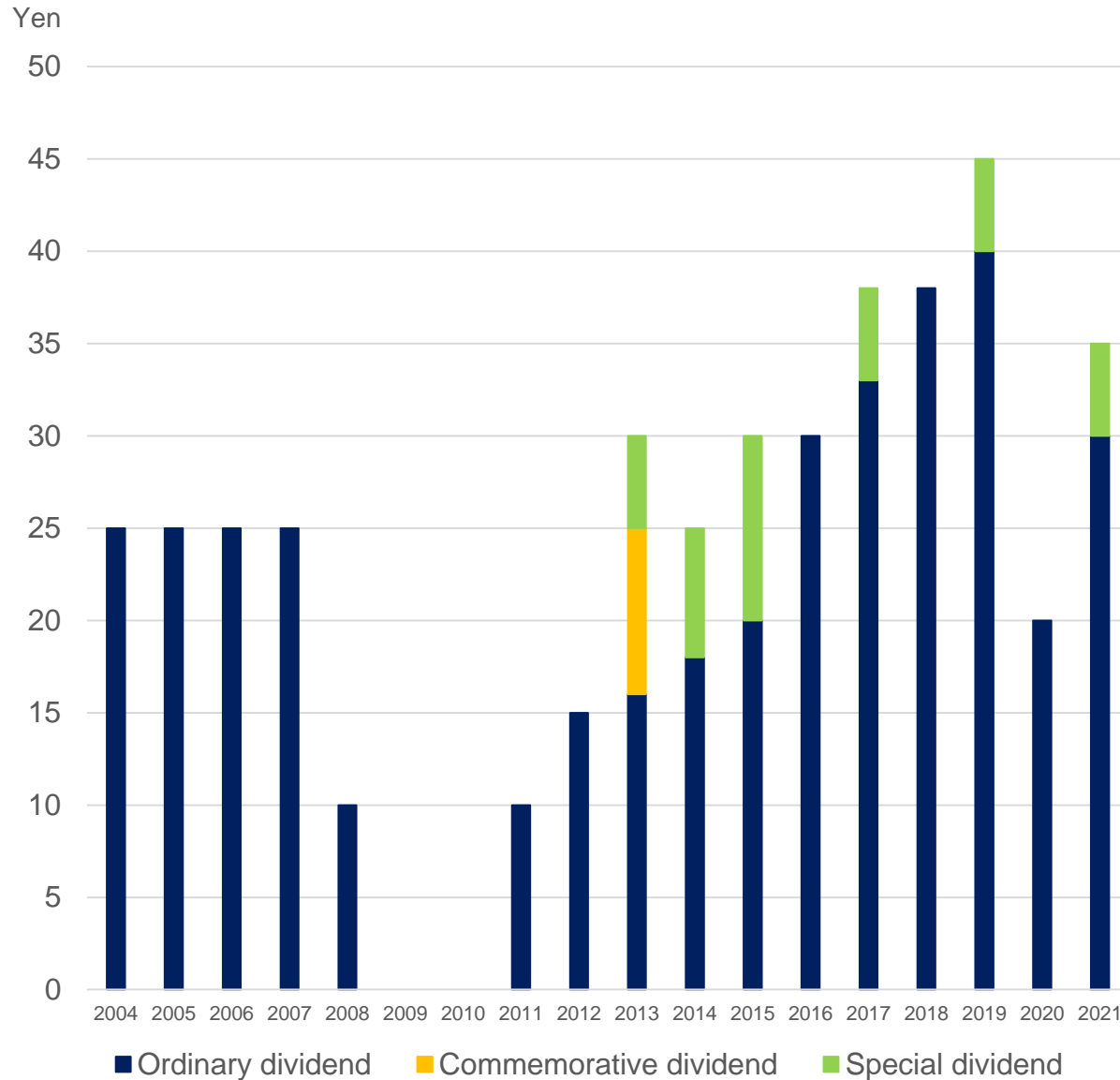


Business Description

Media Business
Personnel Placement Business
New Graduate Recruitment Fair Business
New Graduate Placement Business
IT Worker Dispatch Business

Midcareer job sites		Comprehensive midcareer job sites with a strength in engineers
		Midcareer job site targeting women and full-time employees
Fairs to find the right job		Engineer midcareer job events attracting the most customers in Japan
		Midcareer job events exclusive to women attracting the most customers in Japan
Employment placement		Placement of human resources with a strength in engineers and women
Job hunting events		Job-hunting events targeting high class job seekers
Employment placement		New graduate placement providing broad support from major companies to SMEs
Dispatching of IT engineers		Worker dispatch specializing in IT engineers

Shareholder Returns (Changes in Dividends)



Shareholder return
with an emphasis on
**increasing ordinary
dividends**

Corporate Profile

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)
Governance structure	Company with a Board of Directors and Audit & Supervisory Committee Company with a Nomination and Compensation Committee

Organizational Foundation

Number of employees	662 (as of September 30, 2021)
Average age	28.5
Male/female ratio	Male 45% Female 55%
Gender distribution of managerial positions	Male 60% Female 40%
Return rate after maternity and childcare leave	100%
Hiring category	New graduate 50% Mid-career recruits 50%



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.