

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Non-Consolidated Financial Results for the Year Ended September 30, 2022 (Based on Japanese GAAP)

November 9, 2022

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
 Managing Director in charge of corporate planning Yutaka Nishiyama TEL 03-3560-1601
 Scheduled date of ordinary general meeting of shareholders: December 16, 2022
 Scheduled date to file Securities Report: December 19, 2022
 Scheduled date to commence dividend payments: December 19, 2022
 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. Non-consolidated financial results for the year ended September 30, 2022 (from October 1, 2021 to September 30, 2022)

(1) Non-consolidated operating results

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	%
Year ended September 30, 2022	15,507	64.3	1,102	683.3	1,101	609.1	793	(14.5)
Year ended September 30, 2021	9,436	—	140	—	155	—	927	—

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended September 30, 2022	140.68	—	23.0	17.5	7.1
Year ended September 30, 2021	137.44	—	26.1	3.1	1.5

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2022	6,717	2,960	44.1	536.73
As of September 30, 2021	5,858	3,948	67.4	584.92

(3) Non-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, 2022	2,054	(347)	(904)	3,322
Year ended September 30, 2021	633	(431)	(122)	2,519

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Non-consolidated)	Ratio of dividends to net assets (Non-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, 2021	—	0.00	—	35.00	35.00	236	25.5	6.7
Year ended September 30, 2022	—	0.00	—	45.00	45.00	248	32.0	8.0
Year ending September 30, 2023 (Forecast)	—	0.00	—	50.00	50.00		32.0	

3. Forecast of non-consolidated financial results for the year ending September 30, 2023 (from October 1, 2022 to September 30, 2023)

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
Six months ending March 31, 2023	8,372	14.6	574	(5.4)	567	(6.3)	378	(9.0)	67.11
Full year	17,500	12.8	1,314	19.2	1,300	18.1	881	11.1	156.29

4. Notes

(1) 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:	Yes
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(2) Number of issued shares (common shares)

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

As of September 30, 2022	7,054,400 shares	As of September 30, 2021	7,054,400 shares
--------------------------	------------------	--------------------------	------------------

Number of treasury shares at the end of the period

As of September 30, 2022	1,538,438 shares	As of September 30, 2021	304,368 shares
--------------------------	------------------	--------------------------	----------------

Average number of shares during the period

Year ended September 30, 2022	5,641,180 shares	Year ended September 30, 2021	6,750,032 shares
-------------------------------	------------------	-------------------------------	------------------

Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of September 30, 2021	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	2,619,310	3,422,206
Accounts receivable - trade	1,342,199	1,443,967
Work in process	8,292	8,778
Other	116,287	129,858
Allowance for doubtful accounts	(3,221)	(1,877)
Total current assets	4,082,869	5,002,934
Non-current assets		
Property, plant and equipment		
Buildings, net	172,786	168,084
Other, net	13,277	12,842
Total property, plant and equipment	186,064	180,926
Intangible assets		
Software	978,341	965,778
Other	26,367	17,648
Total intangible assets	1,004,709	983,427
Investments and other assets		
Deferred tax assets	269,618	197,513
Leasehold and guarantee deposits	263,787	261,090
Other	51,627	91,976
Allowance for doubtful accounts	(146)	(134)
Total investments and other assets	584,887	550,446
Total non-current assets	1,775,661	1,714,799
Total assets	5,858,531	6,717,734

(Thousands of yen)

	As of September 30, 2021	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	11,580	11,888
Short-term borrowings	58,000	—
Current portion of long-term borrowings	—	99,996
Accounts payable - other	414,967	716,798
Accrued expenses	617,363	740,633
Income taxes payable	56,640	192,041
Provision for bonuses	169,236	197,294
Other	365,934	749,760
Total current liabilities	1,693,722	2,708,413
Non-current liabilities		
Long-term borrowings	—	808,341
Provision for retirement benefits	196,703	219,510
Asset retirement obligations	19,867	19,931
Other provisions	—	982
Total non-current liabilities	216,570	1,048,765
Total liabilities	1,910,293	3,757,178
Net assets		
Shareholders' equity		
Share capital	558,663	558,663
Capital surplus		
Legal capital surplus	211,310	211,310
Other capital surplus	144,018	144,018
Total capital surplus	355,328	355,328
Retained earnings		
Other retained earnings		
Retained earnings brought forward	3,275,465	3,749,565
Total retained earnings	3,275,465	3,749,565
Treasury shares	(241,219)	(1,703,001)
Total shareholders' equity	3,948,237	2,960,555
Total net assets	3,948,237	2,960,555
Total liabilities and net assets	5,858,531	6,717,734

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended September 30, 2021	Fiscal year ended September 30, 2022
Net sales	9,436,878	15,507,606
Cost of sales	3,657,146	7,153,535
Gross profit	5,779,732	8,354,070
Selling, general and administrative expenses	5,638,996	7,251,686
Operating profit	140,736	1,102,384
Non-operating income		
Interest income	19	23
Cancellation fee	5,109	7,552
Receipt benefit	6,000	–
Other	4,337	2,751
Total non-operating income	15,465	10,327
Non-operating expenses		
Interest expenses	917	11,616
Other	0	0
Total non-operating expenses	917	11,616
Ordinary profit	155,284	1,101,094
Extraordinary income		
Gain on extinguishment of tie-in shares	839,363	–
Total extraordinary income	839,363	–
Extraordinary losses		
Loss on retirement of non-current assets	25,865	–
Total extraordinary losses	25,865	–
Profit before income taxes	968,782	1,101,094
Income taxes - current	31,830	198,663
Income taxes - deferred	9,257	108,841
Total income taxes	41,087	307,505
Profit	927,694	793,589

Non-consolidated statements of changes in equity

Fiscal year ended September 30, 2021

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		Treasury shares
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings	
Balance at beginning of period	558,663	211,310	144,018	355,328	2,482,771	2,482,771	(241,219)
Cumulative effects of changes in accounting policies							
Restated balance	558,663	211,310	144,018	355,328	2,482,771	2,482,771	(241,219)
Changes during period							
Dividends of surplus					(135,000)	(135,000)	
Profit (loss)					927,694	927,694	
Purchase of treasury shares							—
Disposal of treasury shares							
Total changes during period	—	—	—	—	792,694	792,694	—
Balance at end of period	558,663	211,310	144,018	355,328	3,275,465	3,275,465	(241,219)

	Shareholders' equity	Total net assets
	Total shareholders' equity	
Balance at beginning of period	3,155,543	3,155,543
Cumulative effects of changes in accounting policies	—	—
Restated balance	3,155,543	3,155,543
Changes during period		
Dividends of surplus	(135,000)	(135,000)
Profit (loss)	927,694	927,694
Purchase of treasury shares	—	—
Disposal of treasury shares		
Total changes during period	792,694	792,694
Balance at end of period	3,948,237	3,948,237

Fiscal year ended September 30, 2022

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		Treasury shares
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings	
Balance at beginning of period	558,663	211,310	144,018	355,328	3,275,465	3,275,465	(241,219)
Cumulative effects of changes in accounting policies					(83,238)	(83,238)	
Restated balance	558,663	211,310	144,018	355,328	3,192,227	3,192,227	(241,219)
Changes during period							
Dividends of surplus					(236,251)	(236,251)	
Profit (loss)					793,589	793,589	
Purchase of treasury shares							(1,518,629)
Disposal of treasury shares			–	–			56,847
Total changes during period	–	–	–	–	557,338	557,338	(1,461,781)
Balance at end of period	558,663	211,310	144,018	355,328	3,749,565	3,749,565	(1,703,001)

	Shareholders' equity	Total net assets
	Total shareholders' equity	
Balance at beginning of period	3,948,237	3,948,237
Cumulative effects of changes in accounting policies	(83,238)	(83,238)
Restated balance	3,864,999	3,864,999
Changes during period		
Dividends of surplus	(236,251)	(236,251)
Profit (loss)	793,589	793,589
Purchase of treasury shares	(1,518,629)	(1,518,629)
Disposal of treasury shares	56,847	56,847
Total changes during period	(904,443)	(904,443)
Balance at end of period	2,960,555	2,960,555

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended September 30, 2021	Fiscal year ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	968,782	1,101,094
Depreciation	328,301	365,241
Increase (decrease) in allowance for doubtful accounts	(396)	(1,025)
Increase (decrease) in provision for bonuses	13,414	28,058
Increase (decrease) in provision for retirement benefits	37,560	22,807
Interest income	(19)	(23)
Interest expenses	917	11,616
Receipt benefit	(6,000)	—
Loss (gain) on extinguishment of tie-in shares	(839,363)	—
Loss on retirement of non-current assets	25,865	—
Decrease (increase) in trade receivables	(101,483)	(234,045)
Decrease (increase) in inventories	7,101	1,476
Increase (decrease) in trade payables	3,013	307
Increase (decrease) in accounts payable - other	(94,149)	306,856
Other, net	242,481	536,581
Subtotal	586,026	2,138,946
Interest and dividends received	19	23
Interest paid	(934)	(12,623)
Amount of benefits received	6,000	—
Income taxes paid	—	(71,937)
Income taxes refund	42,802	—
Net cash provided by (used in) operating activities	633,913	2,054,408
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	(23,796)	(24,290)
Purchase of intangible assets	(404,779)	(319,554)
Other, net	(3,307)	(3,307)
Net cash provided by (used in) investing activities	(431,883)	(347,153)
Cash flows from financing activities		
Proceeds from short-term borrowings	33,000	—
Repayments of short-term borrowings	—	(58,000)
Proceeds from long-term borrowings	—	1,000,000
Repayments of long-term borrowings	(20,032)	(91,663)
Purchase of treasury shares	—	(1,518,629)
Dividends paid	(135,087)	(236,066)
Net cash provided by (used in) financing activities	(122,119)	(904,359)
Net increase (decrease) in cash and cash equivalents	79,910	802,896
Cash and cash equivalents at beginning of period	1,596,287	2,519,310
Increase (decrease) in cash and cash equivalents resulting from merger of consolidated subsidiaries	843,112	—
Cash and cash equivalents at end of period	2,519,310	3,322,206