

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended March 31, 2023 (Based on Japanese GAAP)

April 28, 2023

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 to file Quarterly Securities Report: May 12, 2023
 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, 2023 (from October 1, 2022 to March 31, 2023)

(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, 2023	8,534	16.8	818	35.0	811	34.1	557	33.9
Six months ended March 31, 2022	7,306	—	606	—	605	—	416	—

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended March 31, 2023	100.83		—	
Six months ended March 31, 2022	72.16		—	

(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, 2023	7,000	3,327	47.5	599.05
As of September 30, 2022	6,717	2,960	44.1	536.73

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, 2022	—	0.00	—	45.00	45.00
Year ending September 30, 2023	—	0.00	—	—	—
Year ending September 30, 2023 (Forecast)	—	—	—	50.00	50.00

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
Full year	17,500	12.8	1,314	19.2	1,300	18.1	881	11.0	156.29

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, 2023	⋮	7,054,400 shares	As of September 30, 2022	⋮	7,054,400 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	⋮	1,499,773 shares	As of September 30, 2022	⋮	1,538,438 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, 2023	⋮	5,527,015 shares	Six months ended March 31, 2022	⋮	5,767,056 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of September 30, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	3,422,206	3,625,400
Accounts receivable - trade	1,443,967	1,435,969
Work in process	8,778	–
Other	129,858	188,583
Allowance for doubtful accounts	(1,877)	(1,866)
Total current assets	5,002,934	5,248,087
Non-current assets		
Property, plant and equipment		
Buildings, net	168,084	156,723
Other, net	12,842	14,266
Total property, plant and equipment	180,926	170,989
Intangible assets		
Software	965,778	1,012,265
Other	17,648	40,978
Total intangible assets	983,427	1,053,243
Investments and other assets		
Deferred tax assets	197,513	190,297
Leasehold and guarantee deposits	261,090	259,742
Other	91,976	78,676
Allowance for doubtful accounts	(134)	(128)
Total investments and other assets	550,446	528,588
Total non-current assets	1,714,799	1,752,822
Total assets	6,717,734	7,000,909
Liabilities		
Current liabilities		
Accounts payable - trade	11,888	9,690
Current portion of long-term borrowings	99,996	99,996
Accounts payable - other	716,798	648,707
Accrued expenses	740,633	762,950
Contract liabilities	338,676	373,874
Accrued consumption taxes	371,022	250,449
Income taxes payable	192,041	280,764
Provision for bonuses	197,294	199,012
Provision for shareholder benefit program	–	1,119
Other	40,061	38,898
Total current liabilities	2,708,413	2,665,463
Non-current liabilities		
Long-term borrowings	808,341	758,343
Provision for retirement benefits	219,510	227,106
Asset retirement obligations	19,931	19,963
Other provisions	982	2,539
Total non-current liabilities	1,048,765	1,007,952
Total liabilities	3,757,178	3,673,416

(Thousands of yen)

	As of September 30, 2022	As of March 31, 2023
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	3,749,565	4,058,613
Total retained earnings	3,749,565	4,058,613
Treasury shares	(1,703,001)	(1,645,111)
Total shareholders' equity	2,960,555	3,327,493
Total net assets	2,960,555	3,327,493
Total liabilities and net assets	6,717,734	7,000,909

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended March 31, 2022	Six months ended March 31, 2023
Net sales	7,306,818	8,534,587
Cost of sales	3,424,078	3,893,447
Gross profit	3,882,739	4,641,139
Selling, general and administrative expenses	3,276,210	3,822,570
Operating profit	606,529	818,569
Non-operating income		
Interest income	9	14
Cancellation Fee	2,566	1,300
Reversal of allowance for doubtful accounts	333	–
Subsidy income	736	–
Surrender value of insurance policies	–	5,670
Compensation income	–	3,432
Other	165	282
Total non-operating income	3,810	10,698
Non-operating expenses		
Interest expenses	5,143	6,015
Loss on cancellation of insurance policies	–	9,981
Other	0	1,833
Total non-operating expenses	5,143	17,831
Ordinary profit	605,196	811,437
Extraordinary losses		
Loss on retirement of non-current assets	–	0
Total extraordinary losses	–	0
Profit before income taxes	605,196	811,437
Income taxes - current	80,062	246,955
Income taxes - deferred	108,955	7,215
Total income taxes	189,017	254,170
Profit	416,178	557,266

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended March 31, 2022	Six months ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	605,196	811,437
Depreciation	178,925	194,586
Increase (decrease) in allowance for doubtful accounts	(333)	588
Increase (decrease) in provision for bonuses	9,392	1,717
Increase (decrease) in provision for retirement benefits	13,402	7,596
Interest income	(9)	(14)
Interest expenses	5,143	6,015
Decrease (increase) in trade receivables	(236,798)	7,405
Decrease (increase) in inventories	9,680	8,944
Increase (decrease) in trade payables	(743)	(2,197)
Increase (decrease) in accounts payable - other	114,695	(126,523)
Increase (decrease) in accrued expenses	65,835	22,317
Increase (decrease) in contract liabilities	188,281	35,197
Increase (decrease) in accrued consumption taxes	27,817	(120,572)
Other, net	(30,687)	(28,088)
Subtotal	949,799	818,409
Interest and dividends received	9	14
Interest paid	(6,112)	(4,958)
Income taxes paid	(31,829)	(158,555)
Net cash provided by (used in) operating activities	911,867	654,909
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,433)	(5,897)
Purchase of intangible assets	(151,817)	(190,137)
Other, net	(1,653)	42,108
Net cash provided by (used in) investing activities	(154,905)	(153,926)
Cash flows from financing activities		
Repayments of short-term borrowings	(58,000)	–
Proceeds from long-term borrowings	1,000,000	–
Repayments of long-term borrowings	(41,665)	(49,998)
Purchase of treasury shares	(1,518,570)	(117)
Dividends paid	(235,900)	(247,673)
Net cash provided by (used in) financing activities	(854,135)	(297,789)
Net increase (decrease) in cash and cash equivalents	(97,172)	203,193
Cash and cash equivalents at beginning of period	2,519,310	3,322,206
Cash and cash equivalents at end of period	2,422,138	3,525,400