

Translation

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Summary of Non-Consolidated Financial Results for the Year Ended September 30, 2023 (Based on Japanese GAAP)

November 8, 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
 Senior Managing Director in charge of corporate planning Yutaka Nishiyama TEL 03-3560-1601
 Inquiries: Yutaka Nishiyama
 Scheduled date of ordinary general meeting of shareholders: December 15, 2023
 Scheduled date to file Securities Report: December 18, 2023
 Scheduled date to commence dividend payments: December 18, 2023
 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, 2023 (from October 1, 2022 to September 30, 2023)

(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, 2023	17,388	12.1	1,585	43.8	1,577	43.2	1,163	46.6
Year ended September 30, 2022	15,507	64.3	1,102	683.3	1,101	609.1	793	(14.5)

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended September 30, 2023	209.94	–	33.7	21.4	9.1
Year ended September 30, 2022	140.68	–	23.0	17.5	7.1

(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, 2023	7,999	3,933	49.2	708.14
As of September 30, 2022	6,717	2,960	44.1	536.73

(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, 2023	1,938	(478)	(348)	4,434
Year ended September 30, 2022	2,054	(347)	(904)	3,322

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, 2022	–	0.00	–	45.00	45.00	248	32.0	8.0
Year ended September 30, 2023	–	0.00	–	70.00	70.00	388	33.3	11.2
Year ending September 30, 2024 (Forecast)	–	0.00	–	80.00	80.00		36.8	

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
Six months ending March 31, 2024	8,825	3.4	737	(10.0)	730	(10.0)	488	(12.3)	88.22
Full year	18,370	5.6	1,764	11.3	1,750	10.9	1,203	3.5	217.28

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: No

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, 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 September 30, 2023	1,499,813 shares	As of September 30, 2022	1,538,438 shares
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Average number of shares during the period

Year ended September 30, 2023	5,540,856 shares	Year ended September 30, 2022	5,641,180 shares
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Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of September 30, 2022	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	3,422,206	4,534,275
Accounts receivable - trade	1,443,967	1,429,675
Work in process	8,778	9,403
Other	129,858	153,820
Allowance for doubtful accounts	(1,877)	(3,002)
Total current assets	5,002,934	6,124,173
Non-current assets		
Property, plant and equipment		
Buildings, net	168,084	150,312
Other, net	12,842	11,227
Total property, plant and equipment	180,926	161,540
Intangible assets		
Software	965,778	1,001,598
Other	17,648	161,469
Total intangible assets	983,427	1,163,068
Investments and other assets		
Deferred tax assets	197,513	224,929
Leasehold and guarantee deposits	261,090	258,394
Other	91,976	68,317
Allowance for doubtful accounts	(134)	(1,057)
Total investments and other assets	550,446	550,584
Total non-current assets	1,714,799	1,875,192
Total assets	6,717,734	7,999,366

(Thousands of yen)

	As of September 30, 2022	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	11,888	9,247
Current portion of long-term borrowings	99,996	99,996
Accounts payable - other	716,798	650,124
Accrued expenses	740,633	867,696
Contract liabilities	338,676	384,209
Accrued consumption taxes	371,022	339,063
Income taxes payable	192,041	381,375
Provision for bonuses	197,294	220,637
Other	40,061	148,305
Total current liabilities	2,708,413	3,100,655
Non-current liabilities		
Long-term borrowings	808,341	708,345
Provision for retirement benefits	219,510	235,407
Asset retirement obligations	19,931	19,995
Other provisions	982	1,557
Total non-current liabilities	1,048,765	965,305
Total liabilities	3,757,178	4,065,960
Net assets		
Shareholders' equity		
Share capital	558,663	558,663
Capital surplus		
Legal capital surplus	211,310	211,310
Other capital surplus	144,018	151,814
Total capital surplus	355,328	363,125
Retained earnings		
Other retained earnings		
Retained earnings brought forward	3,749,565	4,664,609
Total retained earnings	3,749,565	4,664,609
Treasury shares	(1,703,001)	(1,652,992)
Total shareholders' equity	2,960,555	3,933,406
Total net assets	2,960,555	3,933,406
Total liabilities and net assets	6,717,734	7,999,366

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
Net sales	15,507,606	17,388,327
Cost of sales	7,153,535	7,829,766
Gross profit	8,354,070	9,558,560
Selling, general and administrative expenses	7,251,686	7,973,069
Operating profit	1,102,384	1,585,491
Non-operating income		
Interest income	23	32
Cancellation fee	7,552	3,127
Surrender value of insurance policies	–	5,670
Compensation income	–	6,864
Other	2,751	291
Total non-operating income	10,327	15,985
Non-operating expenses		
Interest expenses	11,616	11,657
Loss on cancellation of insurance policies	–	9,981
Other	0	2,543
Total non-operating expenses	11,616	24,182
Ordinary profit	1,101,094	1,577,294
Extraordinary losses		
Loss on retirement of non-current assets	–	0
Total extraordinary losses	–	0
Profit before income taxes	1,101,094	1,577,294
Income taxes - current	198,663	441,447
Income taxes - deferred	108,841	(27,416)
Total income taxes	307,505	414,031
Profit	793,589	1,163,262

Non-consolidated statements of changes in equity

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

Fiscal year ended September 30, 2023

(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	Total retained earnings	
					Retained earnings brought forward		
Balance at beginning of period	558,663	211,310	144,018	355,328	3,749,565	3,749,565	(1,703,001)
Cumulative effects of changes in accounting policies					–	–	
Restated balance	558,663	211,310	144,018	355,328	3,749,565	3,749,565	(1,703,001)
Changes during period							
Dividends of surplus					(248,218)	(248,218)	
Profit (loss)					1,163,262	1,163,262	
Purchase of treasury shares							(201)
Disposal of treasury shares			7,796	7,796			50,210
Total changes during period	–	–	7,796	7,796	915,044	915,044	50,009
Balance at end of period	558,663	211,310	151,814	363,125	4,664,609	4,664,609	(1,652,992)

	Shareholders' equity	Total net assets
	Total shareholders' equity	
Balance at beginning of period	2,960,555	2,960,555
Cumulative effects of changes in accounting policies	–	–
Restated balance	2,960,555	2,960,555
Changes during period		
Dividends of surplus	(248,218)	(248,218)
Profit (loss)	1,163,262	1,163,262
Purchase of treasury shares	(201)	(201)
Disposal of treasury shares	58,007	58,007
Total changes during period	972,850	972,850
Balance at end of period	3,933,406	3,933,406

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	1,101,094	1,577,294
Depreciation	365,241	402,436
Increase (decrease) in allowance for doubtful accounts	(1,025)	5,944
Increase (decrease) in provision for bonuses	28,058	23,343
Increase (decrease) in provision for retirement benefits	22,807	15,896
Interest income	(23)	(32)
Interest expenses	11,616	11,657
Loss on retirement of non-current assets	–	0
Decrease (increase) in trade receivables	(234,045)	8,549
Decrease (increase) in inventories	1,476	(282)
Increase (decrease) in trade payables	307	(2,640)
Increase (decrease) in accounts payable - other	(196,545)	(109,191)
Increase (decrease) in accrued expenses	123,270	127,062
Increase (decrease) in contract liabilities	211,410	45,533
Increase (decrease) in accrued consumption taxes	168,720	(31,959)
Other, net	536,581	134,281
Subtotal	2,138,946	2,207,891
Interest and dividends received	23	32
Interest paid	(12,623)	(11,567)
Income taxes paid	(71,937)	(257,888)
Net cash provided by (used in) operating activities	2,054,408	1,938,467
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	(24,290)	(7,499)
Purchase of intangible assets	(319,554)	(512,674)
Other, net	(3,307)	42,108
Net cash provided by (used in) investing activities	(347,153)	(478,065)
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	(91,663)	(99,996)
Purchase of treasury shares	(1,518,629)	(201)
Dividends paid	(236,066)	(248,135)
Net cash provided by (used in) financing activities	(904,359)	(348,333)
Net increase (decrease) in cash and cash equivalents	802,896	1,112,068
Cash and cash equivalents at beginning of period	2,519,310	3,322,206
Cash and cash equivalents at end of period	3,322,206	4,434,275