



Results Briefing Materials FY2021

January 13, 2022

S-Pool, Inc.

First Section, Tokyo Stock Exchange (2471)

1. FY2021 Performance Results
2. FY2021 Overview by Business Segment
3. FY2022 Business Policies
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5. Progress of the Medium-term Management Plan
6. Dividend Policy/Dividend Plan



1. FY2021 Performance Results

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FY2021
overview of
financial
results

■ **Dispersing the impact of COVID-19 through portfolio management and continuing to set record highs**

Net sales	24,862 million yen (YoY change +18.3%)
Operating profit	2,668 million yen (YoY change +19.7%)
Net income*	1,881 million yen (YoY change +19.0%)

*Net income attributable to owners of the parent

FY2021
overview by
business
segment

[Human Resource Outsourcing Services]

Net sales of **17,234 million yen** (YoY change +13.0%)

The call center business continued to drive net sales. Transactions on consignment grew alongside growth in the spot staffing business.

[Special Needs Employment Services]

Net sales of **4,577 million yen** (YoY change +37.2%)

The pace of growth accelerated. Equipment sales achieved significant increases over initial targets and the previous net sales record.

FY2022
performance
forecasts

■ **Setting the goal to achieve record net sales for 10 consecutive years and operating profit for seven consecutive years**

Net sales	28,770 million yen (YoY change +15.7%)
Operating profit	3,200 million yen (YoY change +19.9%)
Projected dividend	8.0 yen (previous year: 6.0 yen)

FY2021 Financial Results (YoY Comparison)

Achieving roughly 20% growth for both net sales and profits

(Unit: million yen)

	FY2021 result	FY2020 result	YoY change	YoY change (%)
Net sales	24,862	21,009	+3,853	+18.3%
Gross profit	7,530	6,377	+1,153	+18.1%
Gross profit margin (%)	30.3%	30.4%		-0.1 pt
Selling and administrative expenses	4,862	4,148	+713	+17.2%
Selling and administrative expenses/ net sales (%)	19.6%	19.7%		-0.1 pt
Operating profit	2,668	2,228	+439	+19.7%
Operating profit margin (%)	10.7%	10.6%		+0.1 pt
Ordinary profit	2,673	2,229	+443	+19.9%
Quarterly net income attributable to owners of the parent	1,881	1,580	+300	+19.0%

■ Exceeding targets, particularly in terms of profits

(Unit: million yen)

	FY2021 result	FY2021 target	Change vs. target	Change vs. target (%)
Net sales	24,862	24,800	+62	+0.3%
Gross profit	7,530	7,106	+424	+6.0%
Gross profit margin (%)	30.3%	28.7%		+1.6 pt
Selling and administrative expenses	4,862	4,606	+255	+5.6%
Selling and administrative expenses/ net sales (%)	19.6%	18.6%		+1.0 pt
Operating profit	2,668	2,500	+168	+6.7%
Operating profit margin (%)	10.7%	10.1%		+0.6 pt
Ordinary profit	2,673	2,488	+185	+7.5%
Quarterly net income attributable to owners of the parent	1,881	1,635	+245	+15.0%

■ Significant growth in the Business Solutions Segment; growth in net sales and operating profit exceeded 30%

(Unit: million yen)

		FY2021 result	FY2020 result	YoY change	YoY change (%)
Net sales	Business Solutions Segment	7,696	5,825	+1,871	+32.1%
	Human Resource Solutions Segment	17,234	15,250	+1,983	+13.0%
	Adjustments	(67)	(65)	-	-
	Total	24,862	21,009	+3,853	+18.3%
Operating profit	Business Solutions Segment	2,121	1,619	+501	+31.0%
	Human Resource Solutions Segment	1,910	1,757	+152	+8.7%
	Adjustments	(1,363)	(1,148)	-	-
	Total	2,668	2,228	+439	+19.7%
Operating profit margin	Business Solutions Segment	27.6%	27.8%	-	-0.2 pt
	Human Resource Solutions Segment	11.1%	11.5%	-	-0.4 pt
	Total	10.7%	10.6%	-	+0.1 pt

[Main businesses in each segment]

Business Solutions Segment:

Outsourcing Services (Special Needs Employment Services, Logistics Outsourcing Services, Employment Support Services, Wide-area Administrative BPO Services, Environmental Management Support Services, etc.)

Human Resource Solutions Segment: Temporary Staffing Services (call centers, sales support, long-term care businesses, etc.)

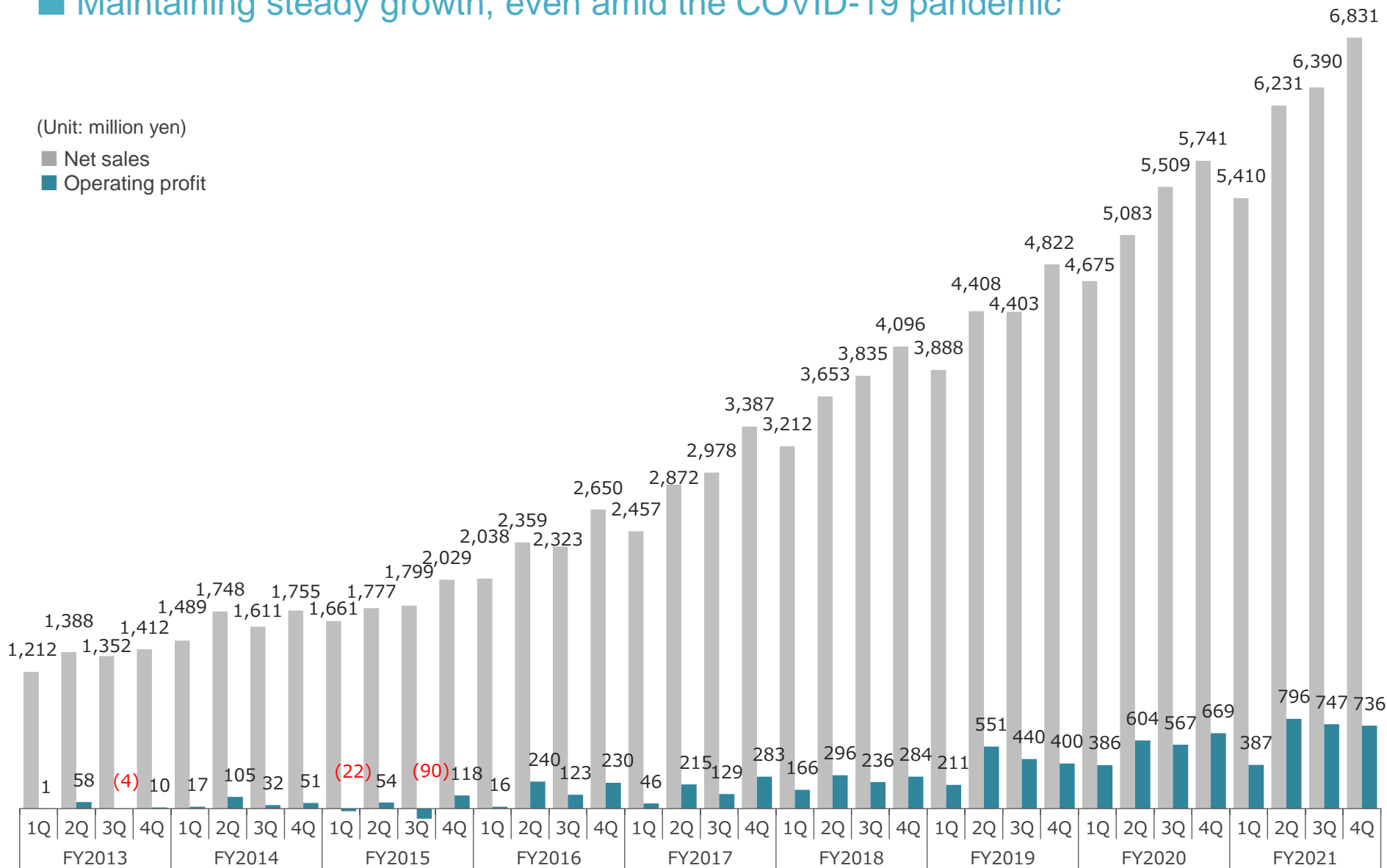
Trends in Quarterly Business Performance



Maintaining steady growth, even amid the COVID-19 pandemic

(Unit: million yen)

■ Net sales
■ Operating profit

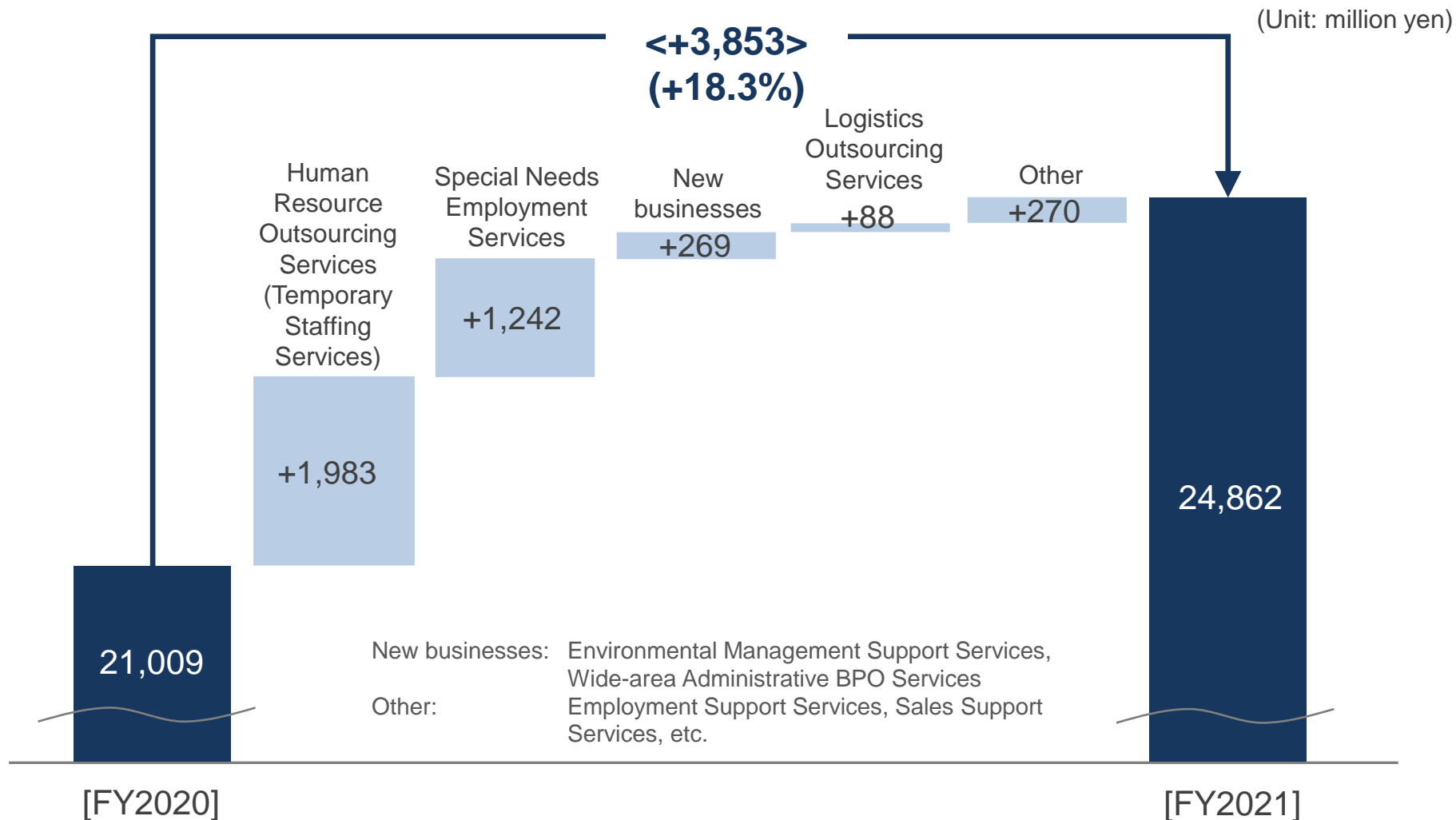


■ Increasing cash in hand in preparation for expansion into new and other businesses

(Unit: million yen)

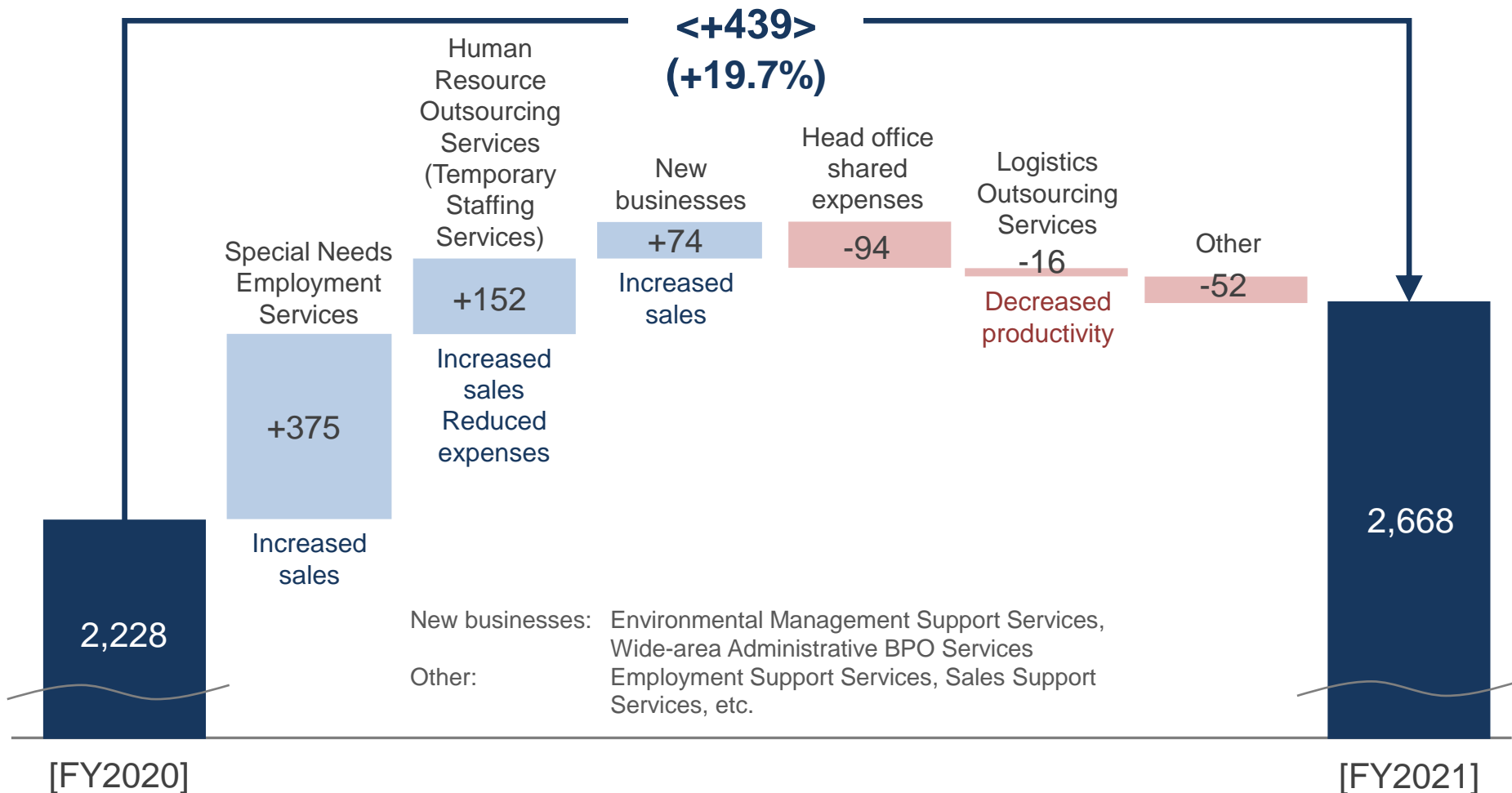
	FY2021 result	FY2020 result	YoY change	Main causes of changes
Cash flow from operating activities	2,195	2,234	- 38	
Cash flow from investment activities	- 2,514	- 2,054	- 459	Purchase of more property, plant, and equipment for opening farm facilities
Cash flow from financial activities	1,742	215	+1,527	Increase in borrowings
Balance of cash and cash equivalents	3,938	2,514	1,423	

- The two main business segments of Human Resource Outsourcing Services and Special Needs Employment Services continued to drive sales



- Special Needs Employment Services achieved significant profit growth. New businesses also contributed to profit growth

(Unit: million yen)



2. FY2021 Overview by Business Segment



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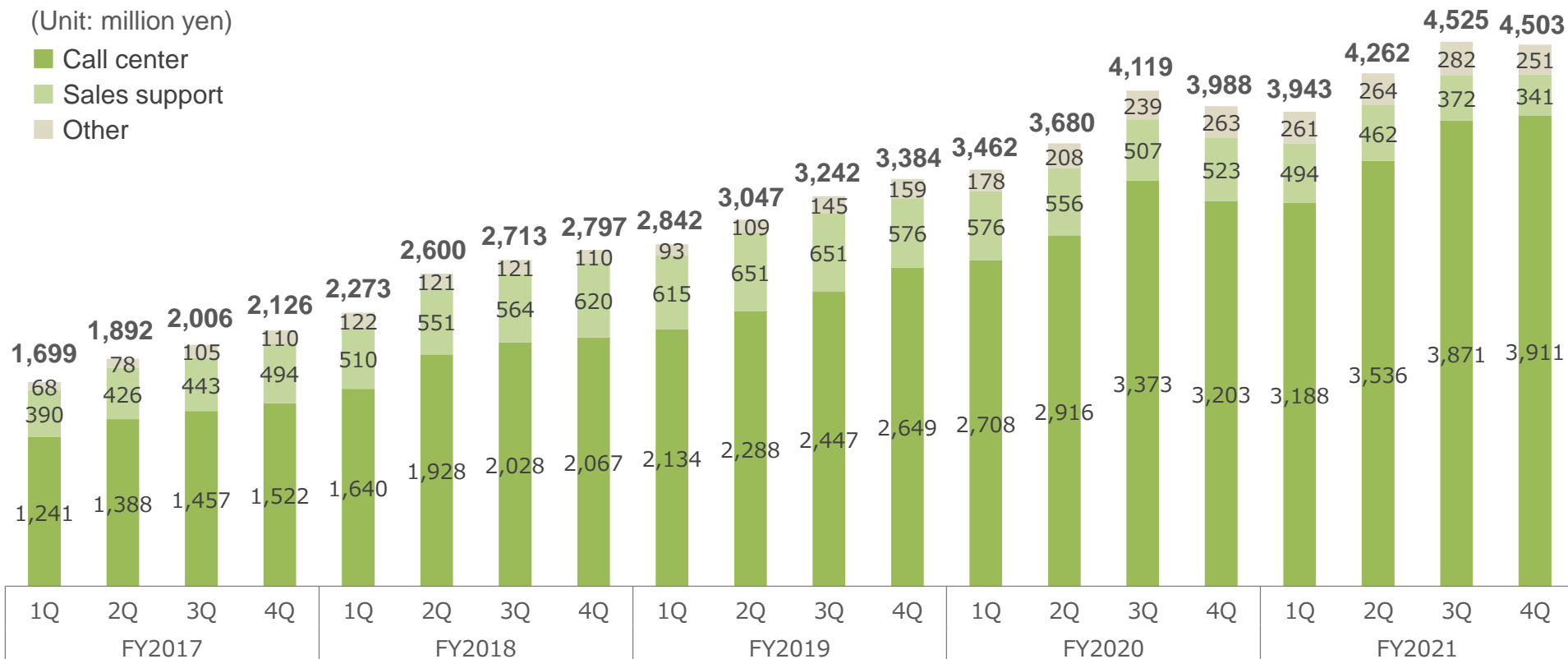
Net sales: 17,234 million yen (YoY change: +13.0%)

In the call center business, an increase in transactions on consignment complemented growth in the existing temporary staffing business.

[Call centers]	Net sales: 14,507 million yen (YoY change: +19%):	Transactions on consignment grew. Three in-house centers were opened.
[Sales support]	Net sales: 1,670 million yen (YoY change: -23%):	The impact of the declaration of a state of emergency delayed recovery.
[Number of staff deployed]	5,936 persons/month (YoY change: +5.5%)	[Number of field consultants (FCs)] 306 persons (YoY change: +2.7%)

(Unit: million yen)

- Call center
- Sales support
- Other



Net sales: 4,577 million yen (YoY change: +37.2%)

Equipment sales in 1,188 sections, significantly exceeding the initial target, surpassed the previous record of 936 sections.

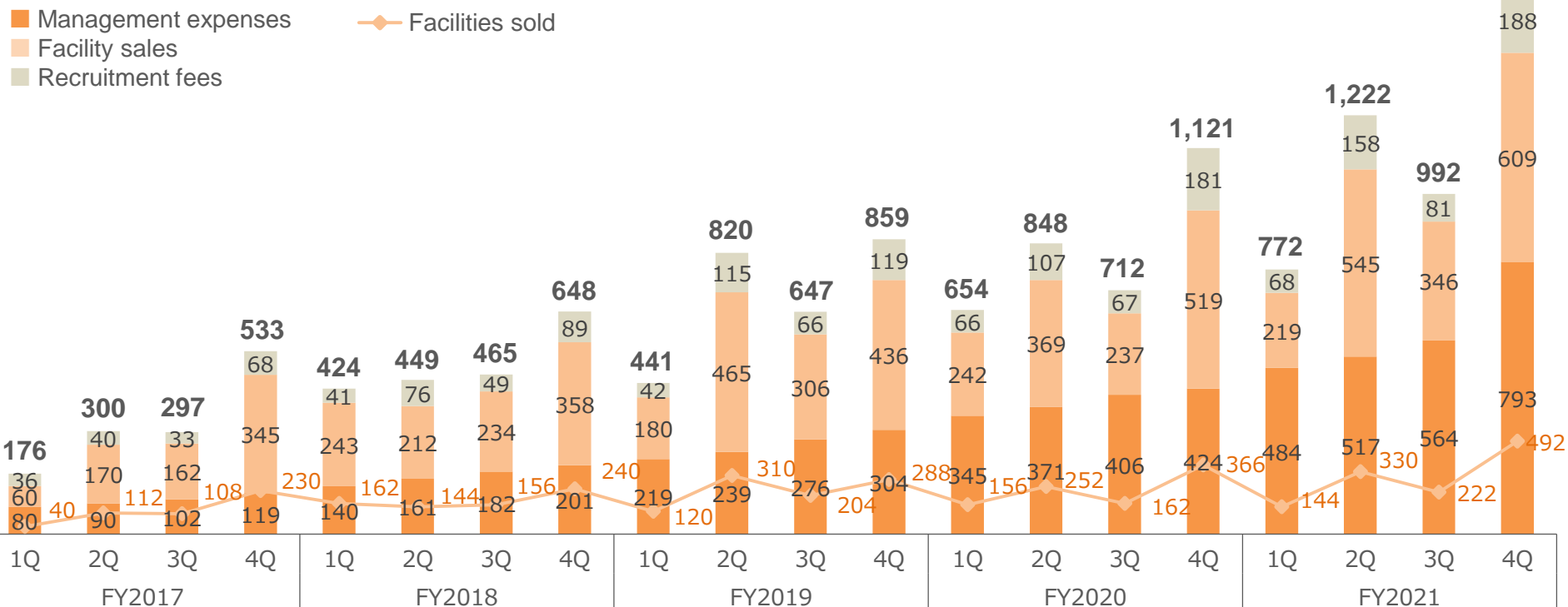
[Equipment sales] 1,188 sections (Initial target: 1,035 sections)

[Customers] 417 companies (4Q cancellation: 1 company / Cancellation rate: 0.2%)

[Sections managed] 4,951 sections [Employees] 2,475 persons [Retention rate] 92%

- Business was brisk. We sold equipment in 492 sections in 4Q, considerably surpassing the previous quarterly record.
- We opened seven farm facilities (four outdoor / three indoor), one more than targeted in initial plans. The cumulative number of facilities grew to 30.

(Unit: million yen)



Net sales: 1,261 million yen (YoY change: +7.5%)

Revenue growth was secured despite prioritizing improvements in earnings.

[Shipment of mail order products] 1,144 million yen (YoY change: +8.5%)

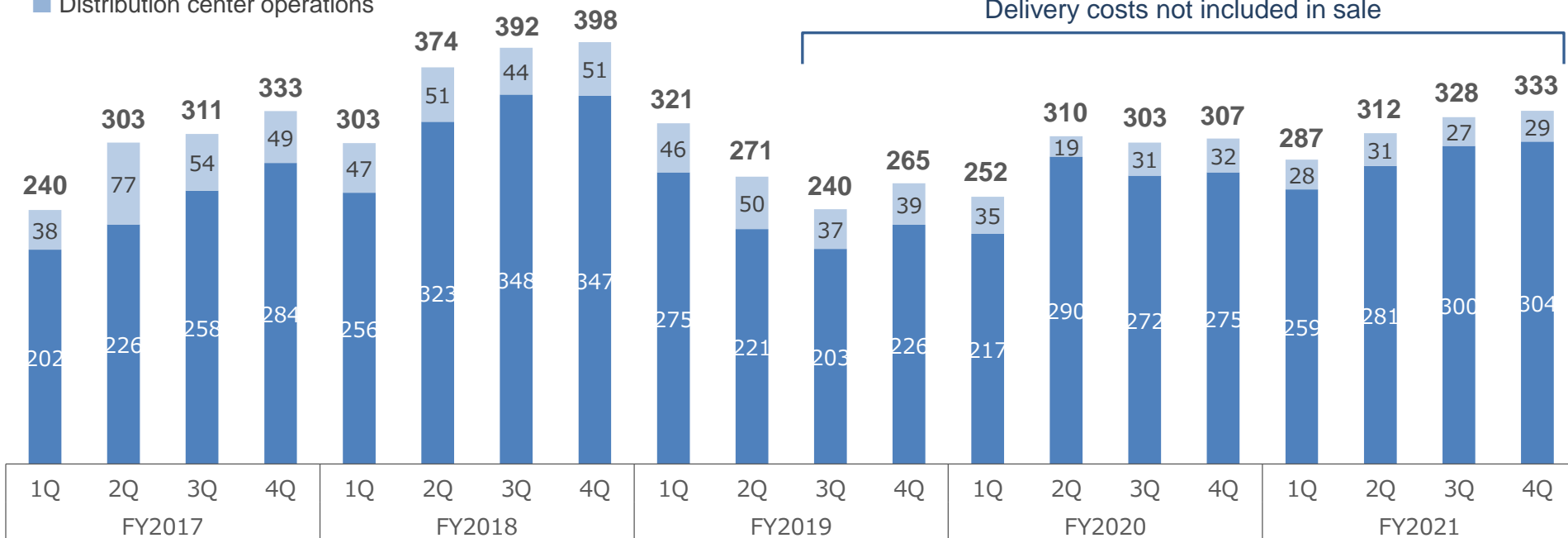
[Distribution center operations] 116 million yen (YoY change: -0.8%)

- Business was strong, but net sales grew only slightly, due to the replacement of customers associated with low margins.
- We promoted ESG management, achieved carbon neutrality at distribution centers, and actively hired people with special needs.

(Unit: million yen)

- Shipment of mail-order products
- Distribution center operations

Delivery costs not included in sale



Net sales: 616 million yen (YoY change: +9.3%)

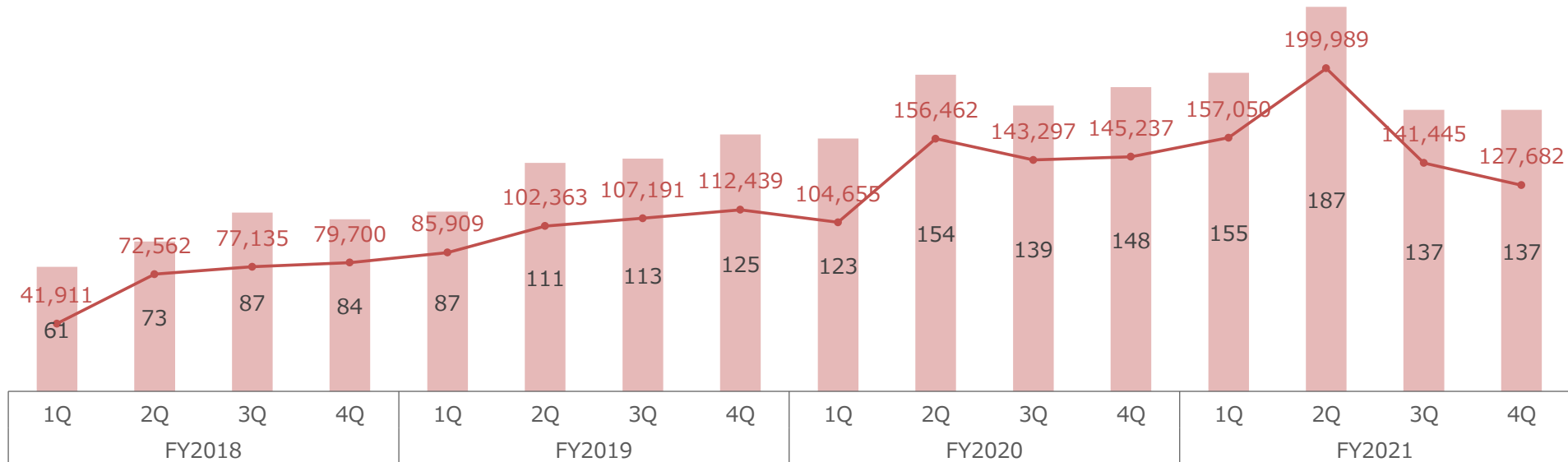
Despite rapid recovery in classifieds, the number of applications failed to grow, due to the extreme shortage of staff. This delayed net sales recovery.

[Number of applications received] 626,166/year (+13.9% YoY) [Number of customers] 95 companies (+4 companies YoY)

- For the service industries, a decline in non-Japanese international student and university student applicants significantly affected staffing shortages.
- We offset lower net sales by the application receiving agency services with net sales by the interview agency and other services.

(Unit: million yen)

■ Net sales
— Applications received



Other [New Businesses]

[Environmental Management Support Services]



Net sales: 258 million yen (+115.7% YoY)

Rapid expansion of the consulting business doubled both net sales and operating profit YoY.

- Despite robust customer demand, we have made no progress in credit sales due to a sharp increase in the unit cost of purchasing.
- Support services for CDP* responses grew considerably in the consulting business, backed by growing ESG investment.
- We reinforced human resource frameworks to achieve growth in orders received for the support services for TCFD** disclosure, a requirement for the Prime Market.



*Carbon Disclosure Project

British nonprofit that studies and evaluates corporate CO₂ emissions and climate change initiatives. It researches around 500 listed companies in Japan.



**Task Force on Climate-related Financial Disclosures

Framework for disclosure of corporate financial information pertaining to initiatives related to climate change and its effects.
Some 1,900 companies scheduled to make the transition to the Prime Market are required to disclose environmental information in line with TCFD recommendations.

[Wide-area Administrative BPO Services] **Net sales: 130 million yen**

Orders were received from three regions in the first three months after service launch, indicating a successful launch.

- We recently received orders from Mitoyo City (Kagawa Prefecture) and Nakatsu City (Oita Prefecture).
- In Daisen City (Akita Prefecture), we launched our online counter business targeting multiple local governments in local shopping malls.



3. FY2022 Business Policies

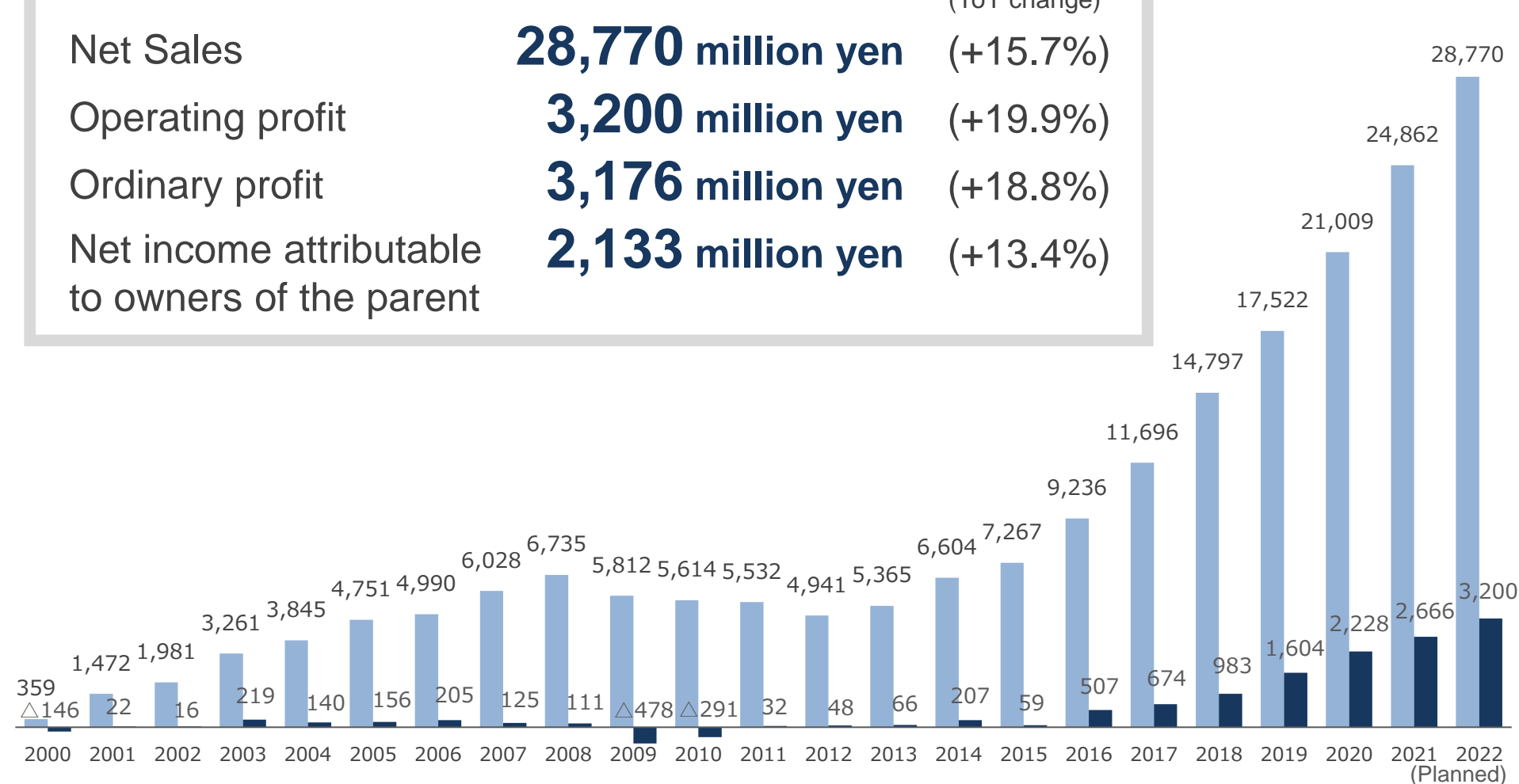
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■ We project new records for net sales (for the tenth consecutive year) and for operating income (for the seventh consecutive year).

(Unit: million yen)

■ Net Sales
■ Operating profit

		(YoY change)
Net Sales	28,770 million yen	(+15.7%)
Operating profit	3,200 million yen	(+19.9%)
Ordinary profit	3,176 million yen	(+18.8%)
Net income attributable to owners of the parent	2,133 million yen	(+13.4%)



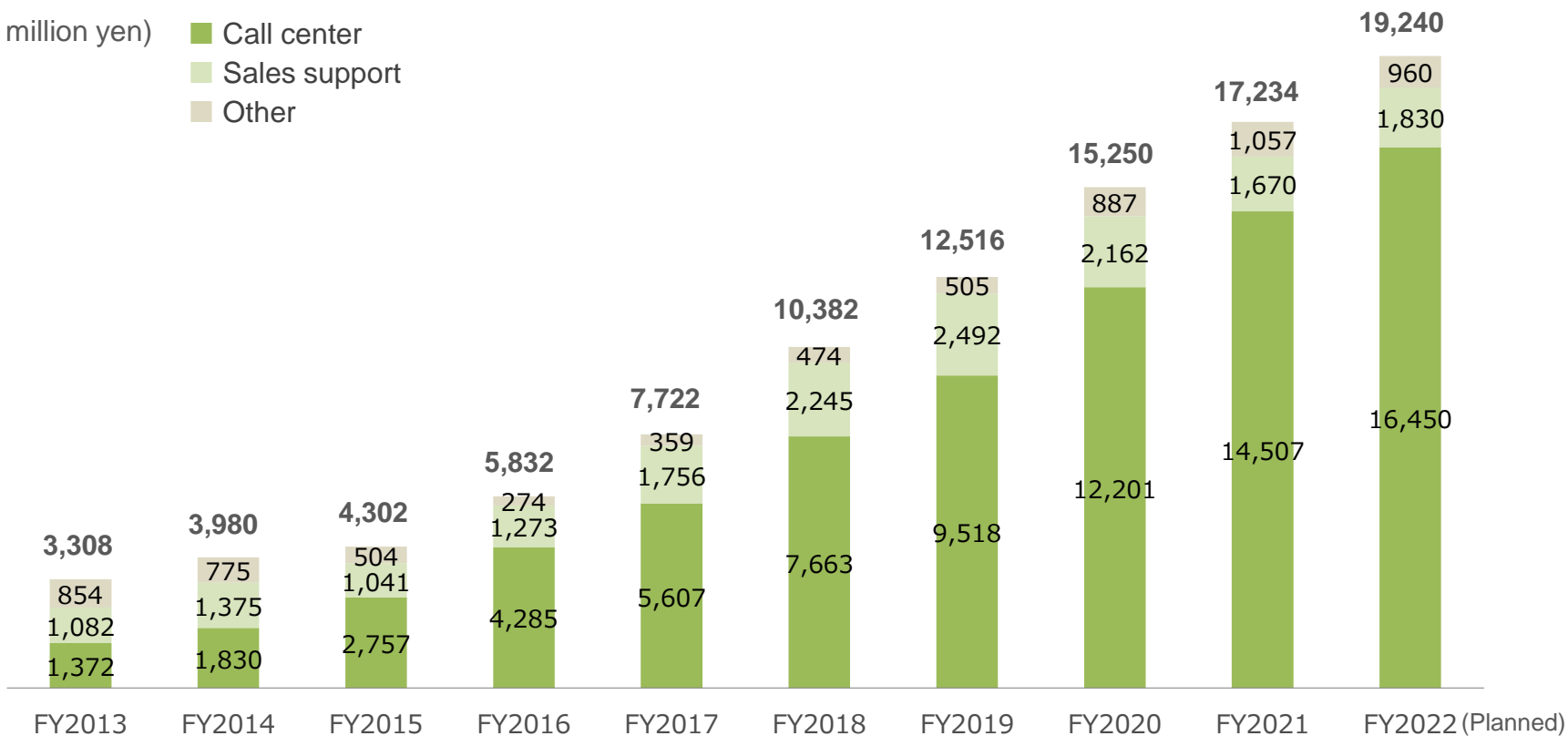
Net sales: 19,240 million yen (YoY change: +11.6%)

We plan to achieve growth centered on the call center business, for which demand remains strong.

- [Call centers] We plan to bolster orders received for transactions on consignment (built two permanent in-house centers) and expand the No. 1 strategy (from three to a target of five companies).
- [Sales support] We plan to capture demand recovery in the mobile and home electronics sales business and expand product lineups.
- [Universal] We plan to pursue a dominant strategy, with plans to open two new locations.

(Unit: million yen)

- Call center
- Sales support
- Other



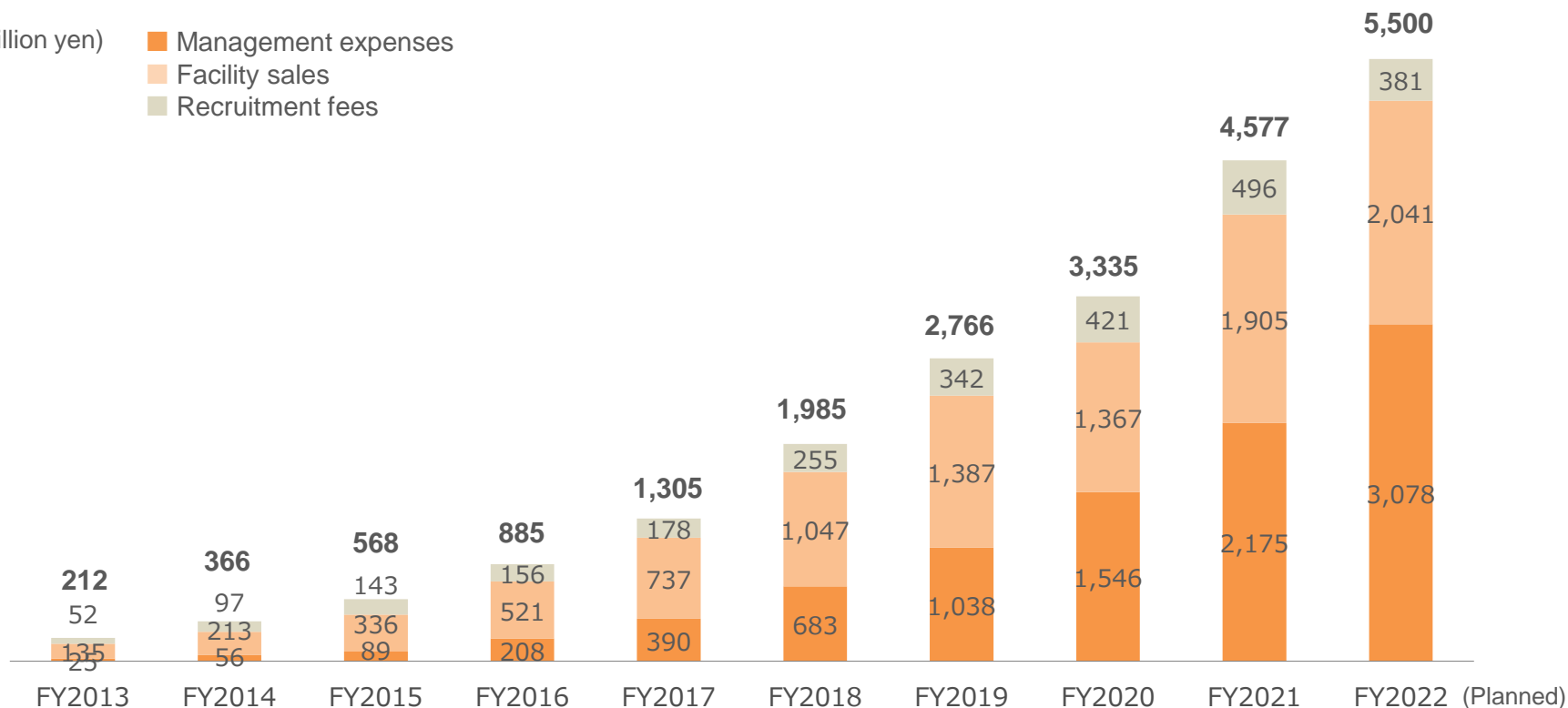
Net sales: 5,500 million yen (YoY change: +20.1%)

An increase in recruitment resulting from recovery in performance will buoy net sales. The hike in the statutory employment rate (from 2.2% to 2.3%) will continue to have a positive impact.

- 1,250 sections targeted for equipment sales [1H] 550–650 sections [2H] 600–700 sections [1Q] 150–200 sections [2Q] 400–450 sections [3Q] 175–225 sections [4Q] 425–475 sections
- Opening of eight new farms (five outdoor / three indoor) [1Q] 0 [2Q] 2 [3Q] 2 [4Q] 4; first foray into Kanagawa Prefecture (Yokohama City)

(Unit: million yen)

- Management expenses
- Facility sales
- Recruitment fees

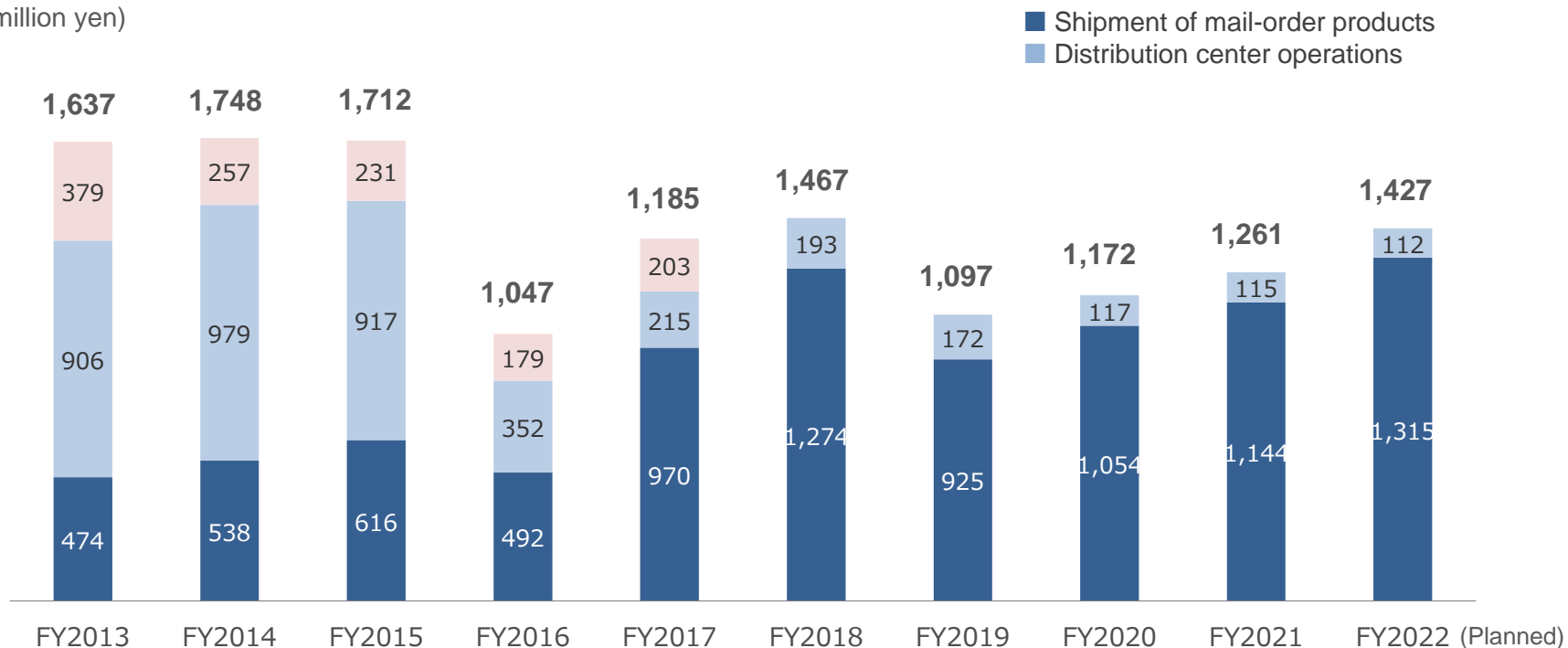


Net sales: 1,427 million yen (YoY change: +13.1%)

We anticipate growth resumption with the opening of new centers serving as a foothold. The creation of added value will be another focus point.

- We opened the Urayasu Center (2,645 m²; up to 28 million yen in monthly sales), resulting in a three-center framework. The two other centers are the Shinagawa Center (7,273 m²; up to 80 million yen in monthly sales) and the Tsukuba Center (3,636 m²; up to 22 million yen in monthly sales).
- We plan to strengthen collaboration with Asian Bridge and seek to expand cross-border EC services targeting Taiwan.

(Unit: million yen)

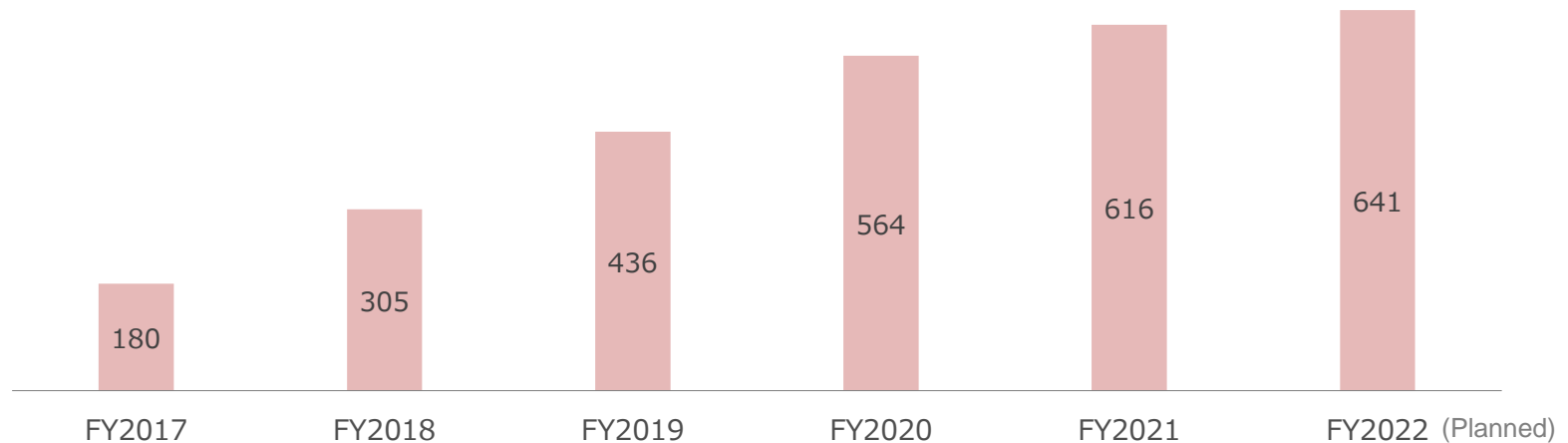


Net sales: 641 million yen (YoY change: +4.0%)

We set conservative targets for number of applicants due to uncertain recovery forecasts.

- Despite the evident recovery in classifieds, we expect a recovery in the number of applicants to take some time.
- We will seek to strengthen sales of online interview agency services, with a focus on upselling through incidental services.
- We will begin developing automatic application receiving services using AI voice recognition.

(Unit: million yen) ■ Net sales

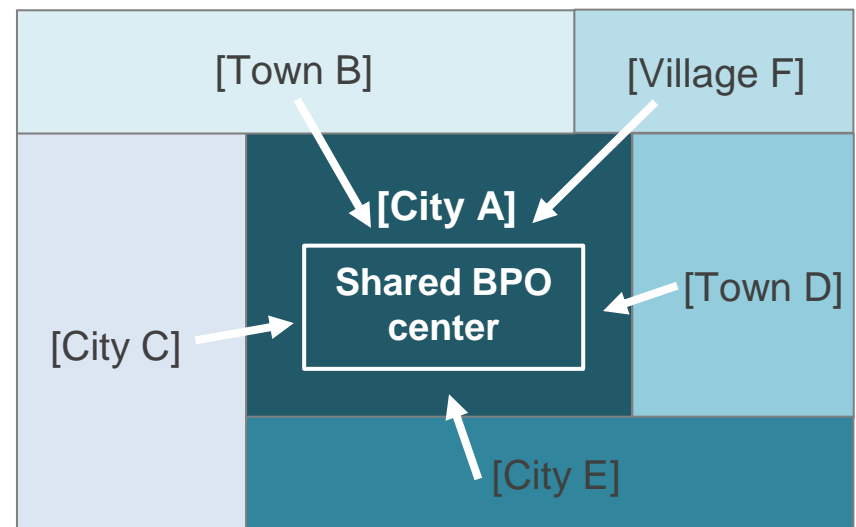
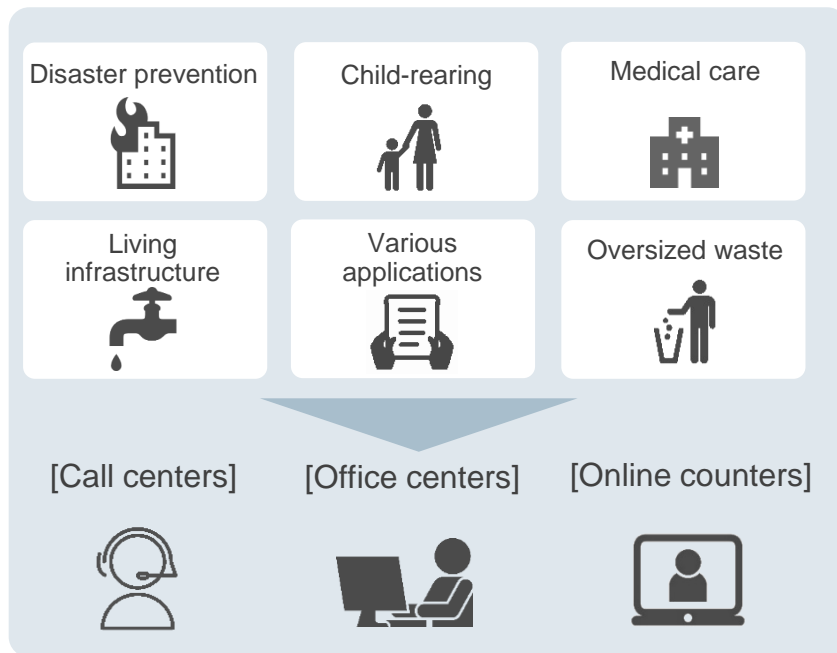


Net sales: 665 million yen (YoY change: +441.5%)

The focus for this fiscal year will be on establishing a 10-site framework, with the goal of establishing a 30-site nationwide framework at the earliest possible date.

- In February, business will commence in two regions: Mitoyo City, Kagawa Prefecture and Nakatsu City, Oita Prefecture. The cumulative number of sites will expand to five.
- The target for this fiscal year will be to open five sites and establish a 10-site framework.
- We will seek to strengthen orders received for the online counter business to complement orders received for the existing call center and office center businesses.

[Shared BPO Center]



Consolidation of inquiry handling and administrative processing operations for each local government

Net sales: 384 million yen (YoY change: +48.8%)

Growing interest in SDGs and ESG will considerably buoy net sales.

- The consulting business will drive performance this fiscal year as well. We plan to seek ongoing orders from existing customers and to energetically seek out new customers.
- The focus in the consulting business will be on receiving orders to support the disclosure of environmental information for TCFD, which has a high unit price.
- We will continue to develop sharing programs for decarbonization and environmental technologies that help reduce corporate CO₂ emissions.

Providing support for corporate environmental management

Step 1. Calculate



Accurately identifying a company's own CO₂ emissions

Support for CO₂ emissions calculations

Step 2. Reduce



Reducing CO₂ emissions through business activities

Consulting on reducing emissions

Step 3. Offset



Offsetting CO₂ emissions that cannot be reduced through investment in afforestation or similar activities

Carbon credit brokering

Step 4. Disclose



Accurately disclosing information on corporate climate change countermeasures for investors

Support for climate change risk analysis and disclosure

4. FY2022 Performance Forecasts Details



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FY2022 Performance Forecasts (Details)

(Unit: million yen)

	FY2022 planned	FY2021 result	YoY change	YoY change (%)
Net sales	28,770	24,862	+3,907	+15.7%
Gross profit	8,646	7,530	+1,115	+14.8%
Gross profit margin (%)	30.1%	30.3%		-0.2 pt
Selling and administrative expenses	5,446	4,862	+583	+12.0%
Selling and administrative expenses/ net sales (%)	18.9%	19.6%		-0.7 pt
Operating profit	3,200	2,668	+531	+19.9%
Operating profit margin (%)	11.1%	10.7%		+0.4 pt
Ordinary profit	3,176	2,673	+502	+18.8%
Net income attributable to owners of the parent	2,133	1,881	+252	+13.4%

FY2022 Business Performance Forecasts by Segment



(Unit: million yen)

		FY2022 planned	FY2021 result	YoY change	YoY change (%)
Net sales	Business Solutions Segment	9,650	7,696	+1,953	+25.4%
	Human Resource Solutions Segment	19,240	17,234	+2,005	+11.6%
	Adjustments	(120)	(67)	-	-
	Total	28,770	24,862	+3,907	+15.7%
Operating profit	Business Solutions Segment	2,592	2,121	+471	+22.2%
	Human Resource Solutions Segment	2,137	1,910	+226	+11.9%
	Adjustments	(1,530)	(1,363)	-	-
	Total	3,200	2,668	+531	+19.9%
Operating profit margin	Business Solutions Segment	26.9%	27.6%	-	-0.7 pt
	Human Resource Solutions Segment	11.1%	11.1%	-	+0.0 pt
	Total	11.1%	10.7%	-	+0.4 pt

[Main businesses in each segment]

Business Solutions Segment:

Outsourcing Services (Special Needs Employment Services, Logistics Outsourcing Services, Employment Support Services, Wide-area Administrative BPO Services, Environmental Management Support Services, etc.)


Human Resource Solutions Segment:

Temporary Staffing Services (call centers, sales support, long-term care businesses, etc.)

FY2022 Performance Forecasts by Half

(Unit: million yen)

	FY2022 planned		FY2021 result	
	1H	2H	1H	2H
Net sales	13,522	15,247	11,641	13,221
Gross profit	4,063	4,582	3,361	4,168
Gross profit margin (%)	30.1%	30.1%	28.9%	31.5%
Selling and administrative expenses	2,677	2,768	2,177	2,684
Selling and administrative expenses/ net sales (%)	19.8%	18.2%	18.7%	20.3%
Operating profit	1,385	1,814	1,184	1,483
Operating profit margin (%)	10.2%	11.9%	10.2%	11.2%
Ordinary profit	1,373	1,802	1,197	1,475
Net income attributable to owners of the parent	943	1,190	780	1,100



5. Progress of the Medium-term Management Plan

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Basic policy

Promoting well-balanced portfolio management resistant to environmental changes

High social contributions

Resistant to business cycle changes

High added value

medium-term management plan

(Announced January 13, 2021)

[Theme] **Creating both social and economic value**

[Numerical plans] FY2025: Net sales **41** billion yen, operating profit **5** billion yen

[Management strategies]

Business strategy ①

Maintaining organic growth by building on existing businesses

Business strategy ②

Securing growth opportunities in new business domains

Organizational strategy

Enhancing management foundations based on ESG

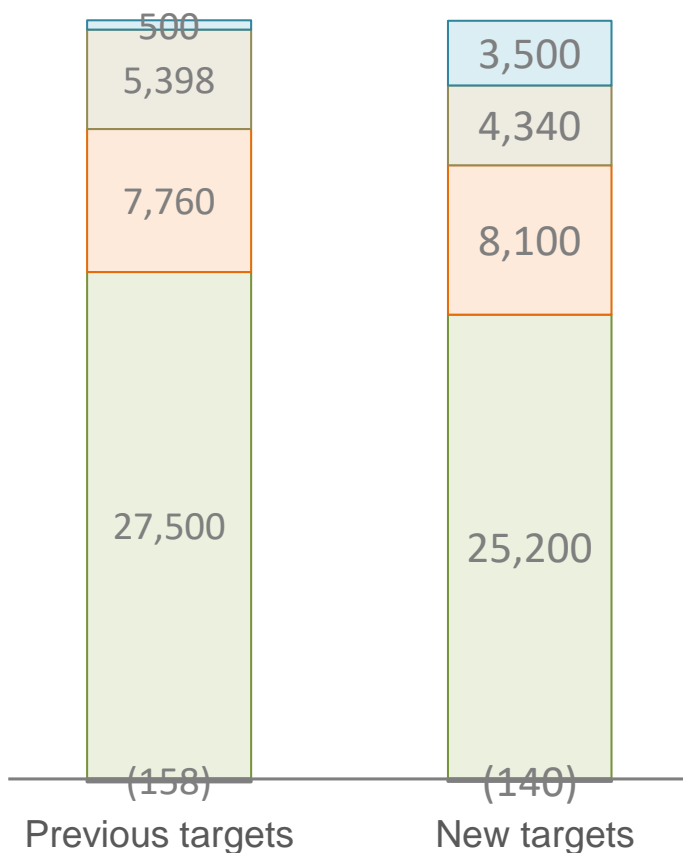
[Financial strategies]

FY2025: Consolidated dividend payout ratio of **30%** or better
Maintaining high ROE

■ Targets for net sales have increased under new businesses which indicate a higher potential for growth and under the robust Special Needs Employment Services. At the same time, targets under existing businesses underwent a conservative revision.

Net sales in FY2025: **41** billion yen

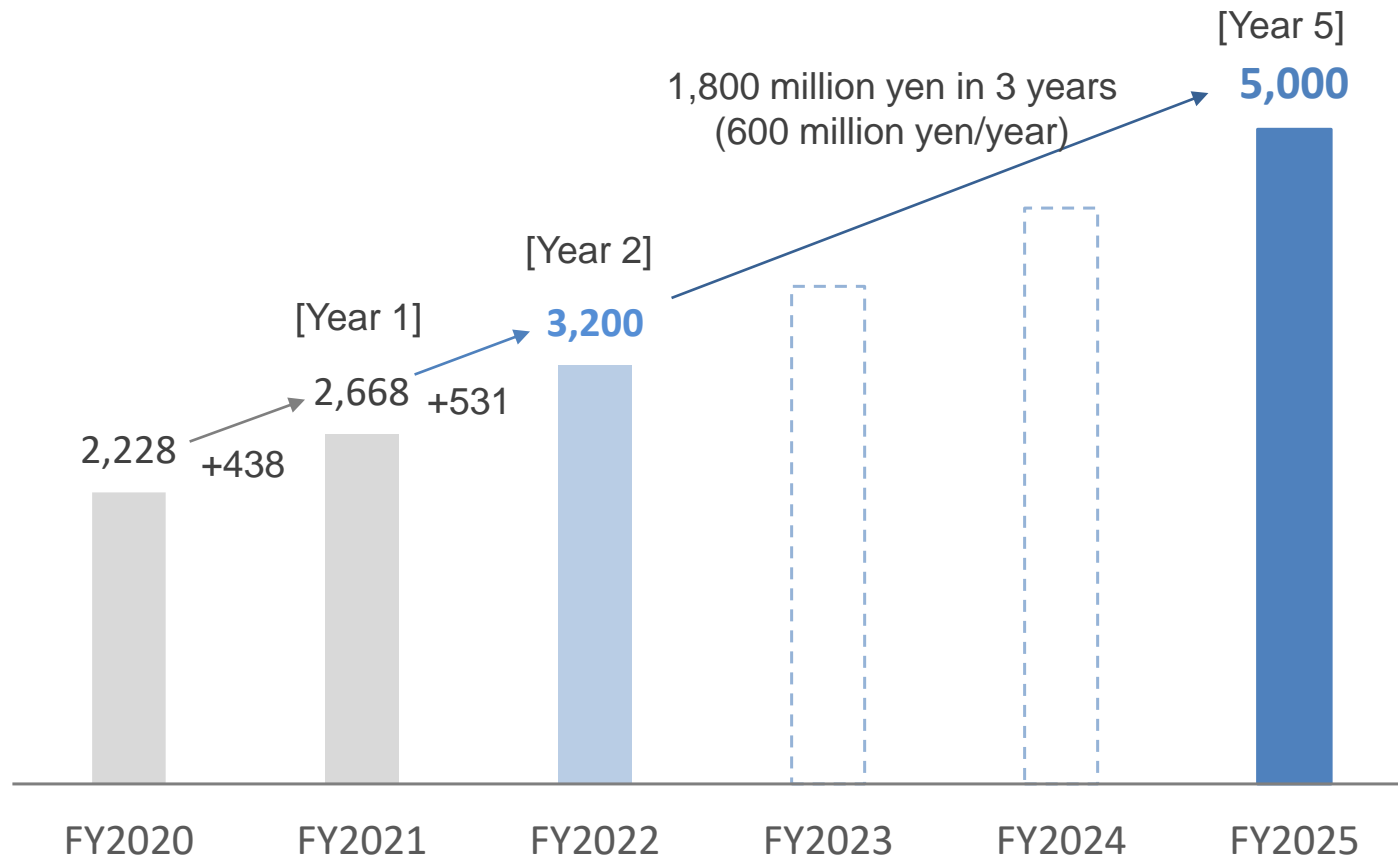
(Unit: million yen)



[New businesses]	3,500 million yen (+3,000)
Wide-area Administrative BPO Services, Environmental Management Support Services	
[Other existing services]	4,340 million yen (-1,058)
Logistics Outsourcing Services, Employment Support Services, etc.	
[Special Needs Employment Services]	8,100 million yen (+340)
[Human Resource Outsourcing Services]	25,200 million yen (-2,300)
[Internal transactions]	-140 million yen (+118)

- Our profit plan also progressed steadily. By achieving our plan for this fiscal year, we made large strides towards future targets.

Operating profit in FY2025: **5.0** billion yen



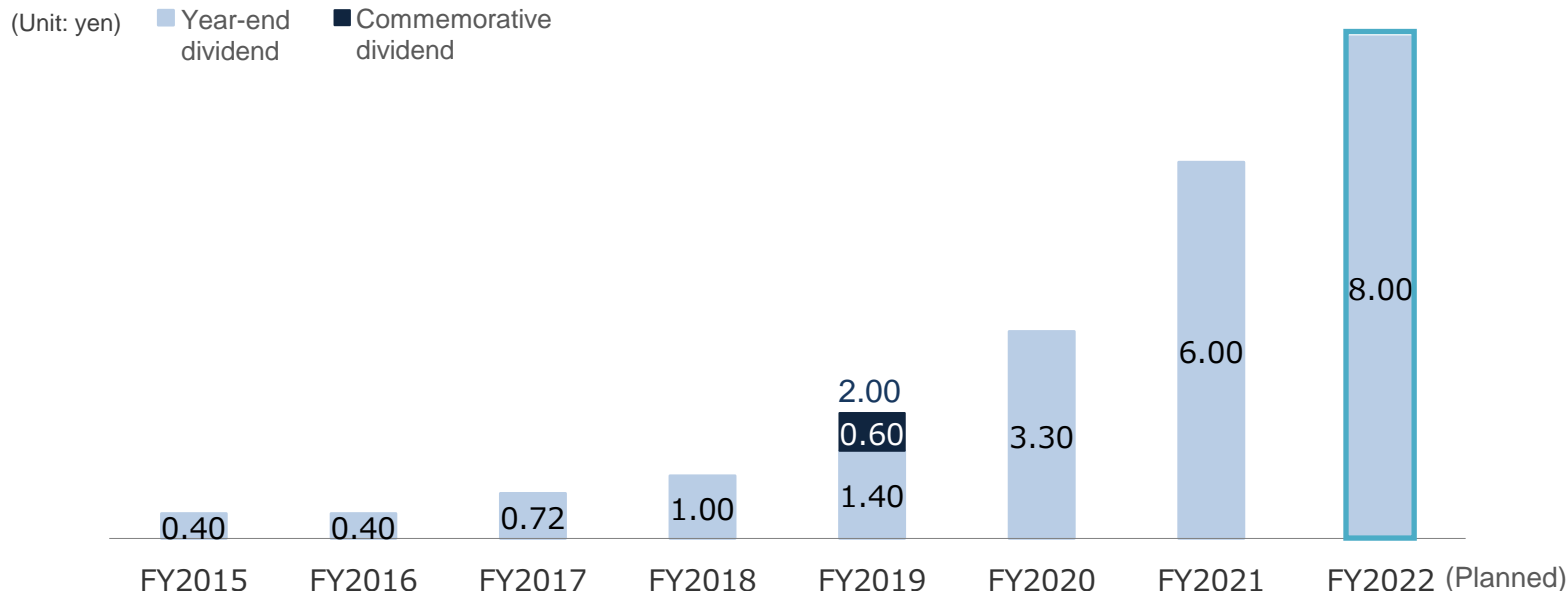


6. Dividend Policy/Dividend Plan

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Dividend plan

FY2022 dividend of 8.0 yen planned (Consolidated payout ratio of 29.6%)



Dividend policy

Targeting stable, sustained growth in dividends while considering capital efficiency and strengthening our financial foundations

Aiming to achieve consolidated payout ratio of 30% or higher by FY2025
 (Even if earnings decrease, dividends will not be reduced to levels at which the consolidated payout ratio decreases by more than 60% on a single-year basis.)

- High evaluations earned from the world's leading ESG assessment agencies
Selected as a component for inclusion into FTSE Russell's FTSE4Good Index Series for the first time

FTSE Russell [UK]



FTSE Russell Rating earned in the top 21%
Selected as a component for inclusion into FTSE
Russell's FTSE4Good Index Series for the first time



FTSE Blossom
Japan

MSCI [US]

MSCI
ESG RATINGS



MSCI ESG Rating earned of AA, the second highest
of seven ratings

CCC B BB BBB A **AA** AAA

■ Number of shareholders: 6,487 (May 31, 2021: 7,256)

Ratio of institutional investors: 64.8% (May 31, 2021: 62.1%)

Rank	Name	Number of shares held	Percentage of shares held
1	Custody Bank of Japan, Ltd. (Trust Account)	11,281,900	14.28%
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	9,586,400	12.13%
3	Sohei Urakami	8,809,800	11.15%
4	NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON TREATY ACCOUNT 15.315 PCT	4,100,000	5.18%
5	Toru Akaura	2,737,500	3.46%
6	Custody Bank of Japan, Ltd. (Trust Account 9)	2,370,000	2.99%
7	Hideaki Sato	1,969,300	2.49%
8	Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	1,613,400	2.04%
9	S-Pool Employee Stock Ownership Program	1,486,400	1.88%
10	Sumitomo Life Insurance Company	1,165,000	1.47%



S-Pool, Inc.

[Contact] Investor Relations at the President's Office
E-mail: kouhou@spool.co.jp

Forecasts of business results and other forward-looking statements contained in this document are based on information available to the Company at the time of release. Actual results may vary due to various factors. No promise or guarantee is made regarding future figures or measures.

Name	S-Pool, Inc.
Origin of name	'Pool' (combination) of Solutions / Systems / Staff / Sustainability
Head office	6F, Akihabara Dai Building, 1-18-13 Sotokanda, Chiyoda-ku, Tokyo, Japan
Capital	372,200,000 yen (as of end of November 2021)
Established	December 1, 1999
Representative	Sohei Urakami, Chairman of the Board, President, and Representative Director
Directors	Director: Hideaki Sato (CPA) Director: Naoshi Arai Outside Director: Toru Akaura Outside Director: Nao Miyazawa (attorney) Outside Director: Kazuhiko Nakai (CPA)
Listed exchange	First Section, Tokyo Stock Exchange (Securities Code: 2471)
Number of employees	945 persons (consolidated, as of end of November 2021)
Number of facilities	59 locations (as of end of December 2021)

Business Solutions Segment (31%)

■ Special Needs Employment Services

[4.57 billion yen]

- Operating rental farms for use by companies employing exclusively people with disabilities
- Employment support services (training and introduction to employment opportunities for people with disabilities)

■ Logistics Outsourcing Services [1.26 billion yen]

- e-Commerce shipping agent services, cross border e-commerce services

■ Employment Support Services [610 million yen]

- OMUSUBI part-time worker employment support service

■ Sales Support Services [540 million yen]

- Sales promotion support (campaigns, promotions)

■ Wide-area Administrative BPO Services [130 million yen]

- Shared BPO services for local governments, online counter business

■ Environmental Management Support Services

- CO₂ emissions calculation support, carbon credit brokering support [250 million yen]

■ New businesses

- Professional human resource bank (consultant staffing services)
- Matching app “pivotta” connecting corporations and professional human resources

Human Resource Solution Segment (69%)

■ Human Resource Outsourcing Services

[17.23 billion yen]

- Temporary staffing/referral services
 - Sales and marketing staff (e.g., smartphones, home electronics)
 - Office staff (call centers, offices)
 - Long-term care, nursing, childcare staff
- Outsourcing services
 - Call centers, officer centers

* Sales figures and segment sales percentages are based on FY2022 results.

親会社

[Business holding company and new business development]

S-Pool, Inc.



グループ会社

[Human Resource Outsourcing Services (staffing, referral)]

S-Pool Human Solutions, Inc.



[Special Needs Employment Services]

S-Pool Plus, Inc.



[Logistics Outsourcing Services]

S-Pool Logistics, Inc.



[Sales Support Services]

S-Pool Sales Support, Inc.



[Employment Support Services]

S-Pool Link, Inc.



[Wide-area Administrative BPO Services]


S-Pool Glocal, Inc.




[Environmental Management Support Services]

blue dot green Inc.






[Group head office] Akihabara




Sales Support Services
Akihabara, Osaka

Human Resource Outsourcing Services

- 【Hokkaido】 Sapporo Odori, Sapporo Kitaguchi, Sapporo Minamiguchi, Kitami Applications Reception Center
- 【Tohoku】 Tohoku, Sendai Aoba-dori
- 【Kanto】 Shinjuku Head Office, Shinjuku 3-chome, Shinjuku Minamiguchi, Ikebukuro, Yokohama, Yokohama Nishiguchi
- 【Chukyo】 Nagoya
- 【Kansai】 Osaka Umeda, Osaka Ekimae
- 【Kyushu】 Hakata Ekimae, Tenjin
- 【Okinawa】 Naha, Chatan

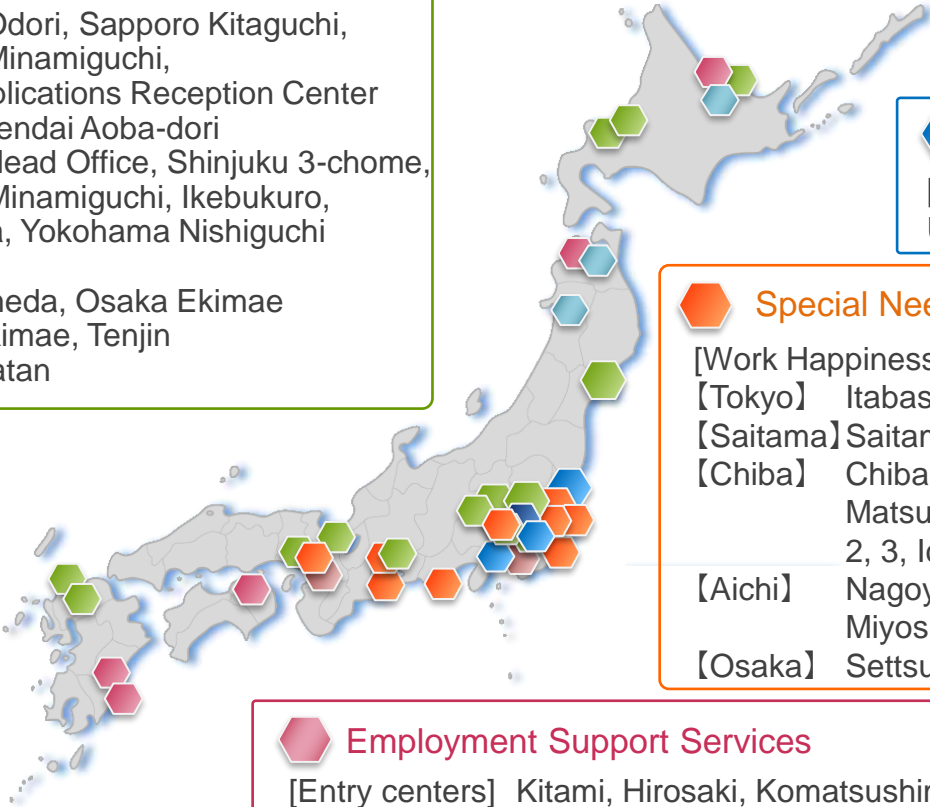


Logistics Outsourcing Services
[Distribution centers] Shinagawa, Tsukuba, Urayasu




Special Needs Employment Services

- 【Work Happiness Farm】 30 farms
- 【Tokyo】 Itabashi 1, 2
- 【Saitama】 Saitama (Iwatsuki), Kawagoe, Koshigaya
- 【Chiba】 Chiba (Wakaba 1, 2, Hanamigawa), Ichikawa, Matsudo, Yachiyo, Funabashi 1, 2, 3, Kashiwa 1, 2, 3, Ichihara 1, 2, Mobara 1, 2
- 【Aichi】 Nagoya, Kasugai, Komaki, Tokai, Toyoake, Miyoshi, Nagakute
- 【Osaka】 Settsu, Hirakata




Employment Support Services
[Entry centers] Kitami, Hirosaki, Komatsushima, Nichinan, Saito



Wide-area Administrative BPO Services
[BPO centers] Kitami, Hirosaki, Daisen

