

Results Briefing Materials

1Q FY2022

April 4, 2022

S-Pool, Inc.

Prime Section, Tokyo Stock Exchange (2471)



1. 1Q FY2022 Performance Results
2. 1Q FY2022 Overview by Business Segment
3. FY2022 Performance Forecasts

A large, faint, light blue watermark of the S-POOL logo is centered on the page. It consists of a stylized swimmer icon above the text "S-POOL" in a bold, sans-serif font.

S-POOL



1. 1Q FY2022 Performance Results

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1Q FY2022 overview of accounts settlement

■ **Significant growth was recorded, centered on income. New businesses contributed to income growth in addition to core businesses.**

Net sales	6,520 million yen (YoY change +20.5%)
Operating profit	671 million yen (YoY change +73.3%)
Net income*	447 million yen (YoY change +78.5%)

* Net income attributable to owners of the parent

1Q FY2022 overview by business segment

[Human Resource Outsourcing Services]

Net sales **4,549** million yen (YoY change +15.4%)

The call center business continued to record strong performance. Both the staffing business and number of contracts grew.

[Special Needs Employment Service]

Net sales **1,072** million yen (YoY change +38.8%)

Stock management revenues drove growth in profits. Sales continue to progress steadily as we move toward 2Q.

FY2022 performance forecasts

■ **Prospects for achieving full-year targets are favorable. We will seek to maintain momentum.**

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 term: 6.0 yen)

■ Significant growth was recorded, centered on income. Sales also grew by about 20%.

(Unit: million yen)	1Q FY2022 result	1Q FY2021 result	YoY change	YoY change (%)
Net sales	6,520	5,410	+1,109	+20.5%
Gross profit	2,024	1,446	+578	+40.0%
Gross profit margin (%)	31.1%	26.7%		+4.4 pt
Selling and administrative expenses	1,353	1,058	+294	+27.8%
Selling and administrative expenses/ net sales (%)	20.8%	19.6%		+1.2 pt
Operating profit	671	387	+284	+73.3%
Operating profit margin (%)	10.3%	7.2%		+3.1 pt
Ordinary profit	667	382	+284	+74.3%
Quarterly net income attributable to owners of the parent	447	250	+196	+78.5%

- The Business Solutions Segment demonstrated rapid growth, while the Human Resource Solutions Segment maintained favorable performance.

(Unit: million yen)		1Q FY2022 result	1Q FY2021 result	YoY change	YoY change (%)
Net sales	Business Solutions Segment	1,995	1,477	+517	+35.1%
	Human Resource Solutions Segment	4,549	3,943	+606	+15.4%
	Adjustments	(24)	(9)	-	-
	Total	6,520	5,410	+1,109	+20.5%
Operating profit	Business Solutions Segment	485	274	+210	+76.8%
	Human Resource Solutions Segment	540	414	+126	+30.4%
	Adjustments	(354)	(302)	-	-
	Total	671	387	+284	+73.3%
Operating profit margin	Business Solutions Segment	24.3%	18.6%	-	+5.7 pt
	Human Resource Solutions Segment	11.9%	10.5%	-	+1.4 pt
	Total	10.3%	7.2%	-	+3.1 pt

Business Solutions Segment:	Special Needs Employment Service, Logistics, Wide-area Administrative BPO Services, Environmental Management Support Services, Employment Support Services, etc.
Human Resource Solutions Segment:	Temporary Staffing Services (call centers, sales support, long-term care businesses, etc.)

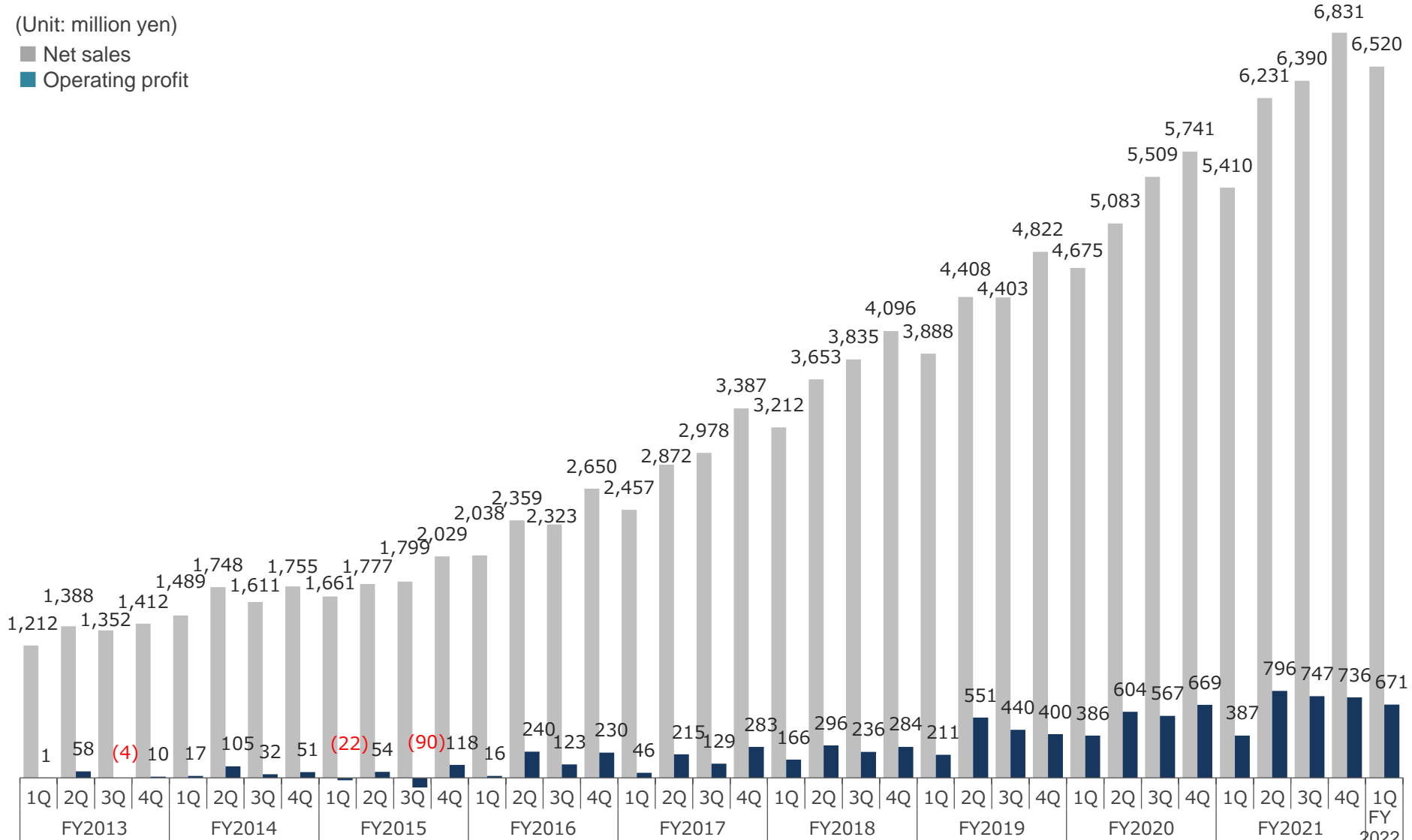
Trends in Quarterly Business Performance



■ The company recorded significant sales growth in 1Q, typically a slow period.

(Unit: million yen)

- Net sales
- Operating profit





2. 1Q FY2022 Overview by Business Segment

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Net sales: 4,549 million yen (YoY change +15.4%)

The call center business maintained its strong performance.
Sales set a new quarterly record high in 1Q.

[Call centers] Net sales: 4,009 million yen (YoY change +25.7%); High demand for spot transactions drove sales growth.

[Sales support] Net sales: 316 million yen (YoY change -35.9%); Recovery remains slow due to COVID-19.

[Number of staff deployed] 6,396 staff/month (YoY change +10.3%)

[Number of Field Consultants (FCs)] 288 FCs

(Unit: million yen)

- Call centers
- Sales support
- Other



Net sales: 1,072 million yen (YoY change +38.8%)

Sections managed reached 5,000. Stock management revenues drove profit growth.

[Equipment sales] 186 sections (planned: 150-200 sections)

[Customers] 432 companies (one company cancelled in 1Q, for a cancellation rate of 0.2%)

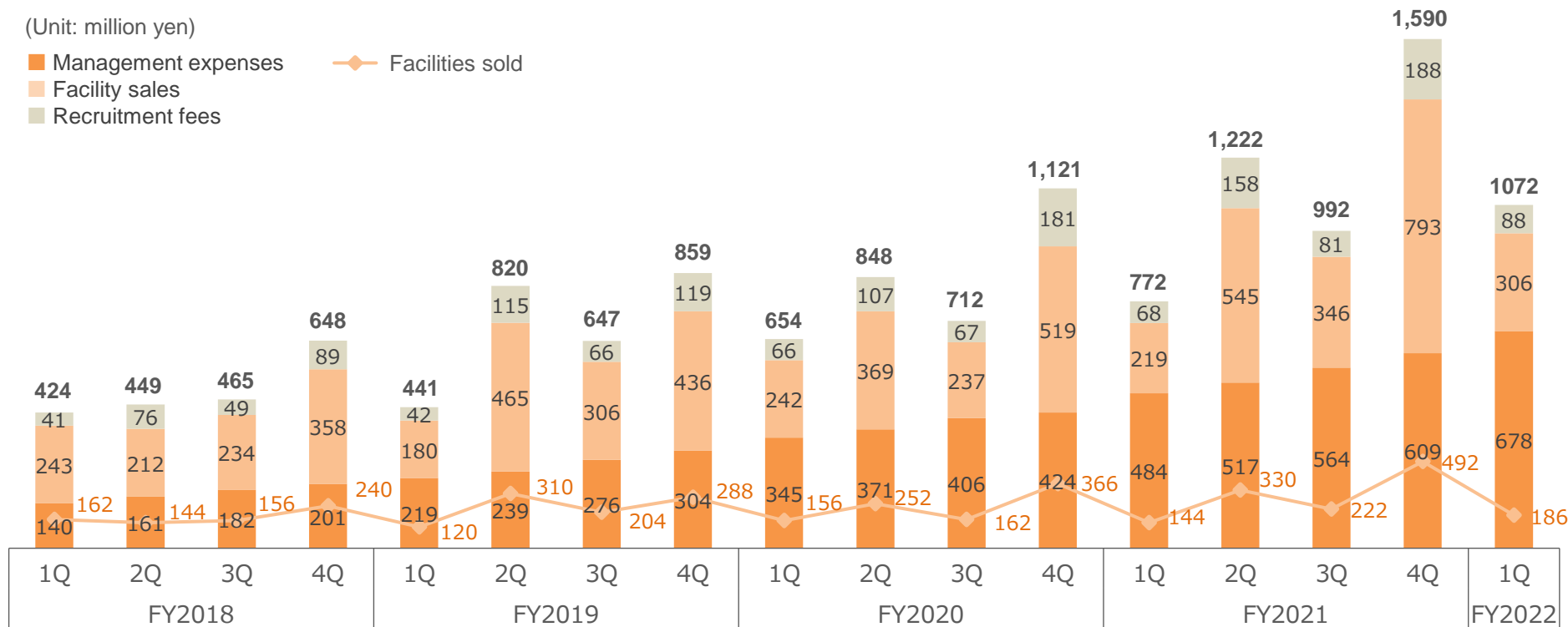
[Sections managed] 5,131 sections [Number of employees] 2,565 persons [Retention rate] 92%

- Equipment sales were as planned. Sales were strong towards sales growth in 2Q, and the balance of orders received exceeded 400.
- Steady preparations are underway to open two farms in 2Q, including our first farm in Kanagawa.

(Unit: million yen)

■ Management expenses
■ Facility sales
■ Recruitment fees

—◆— Facilities sold



Net sales: 320 million yen (YoY change +11.8%)

The company opened a new distribution center to achieve growth in e-commerce shipping agent services.

[e-Commerce shipping agent services] 292 million yen (YoY change +13.5%)

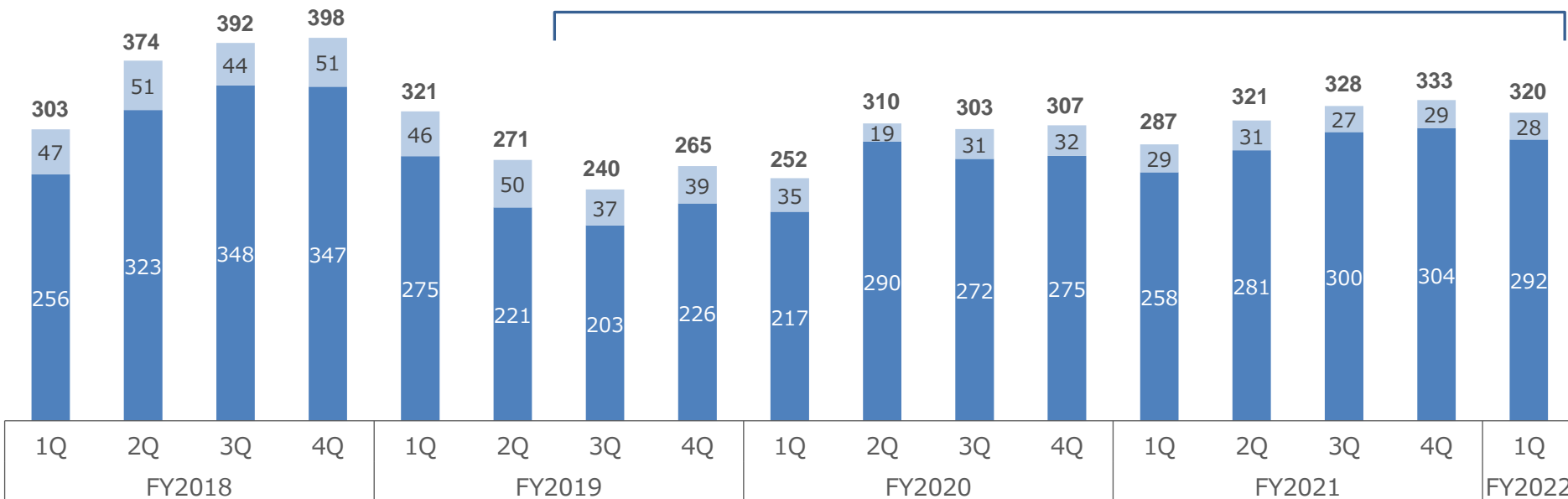
[Distribution center operations] 28 million yen (YoY change -3.5%)

- Opening of the Urayasu Distribution Center (approx. 2,640 sqm, max. sales 28 million yen/month) is part of efforts to establish a three-center structure, alongside the Shinagawa Distribution Center (approx. 7,270 sqm, max. sales 80 million yen/month) and the Tsukuba Distribution Center (approx. 3,640 sqm, max. sales 22 million yen/month).

(Unit: million yen)

■ e-Commerce shipping agent services
■ Distribution center operations

Shipping costs not included in sales recorded



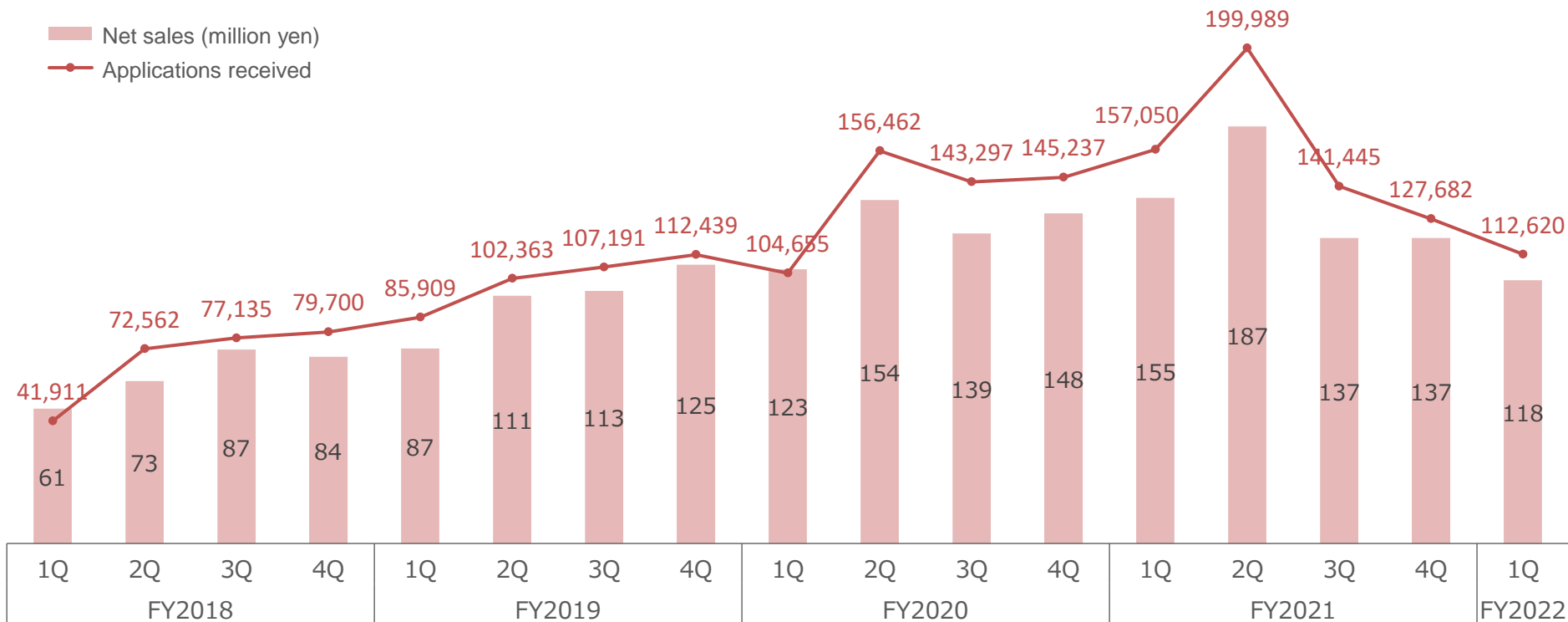
Net sales: 118 million yen (YoY change -23.8%)

Despite continuing difficulties due to prolonged COVID-19, sales activities were intensified toward recovery.

[Applications received] 1Q: 37,540 applications (YoY change -28.3%)

[Number of customers] 126 companies (YoY change +21 companies)

- Food service hiring fell significantly once again due to quasi-states of emergency.
- Sales enhancement is underway with an eye to post-COVID recovery. Orders received from major customers grew. We are targeting recovery beginning in 2Q.



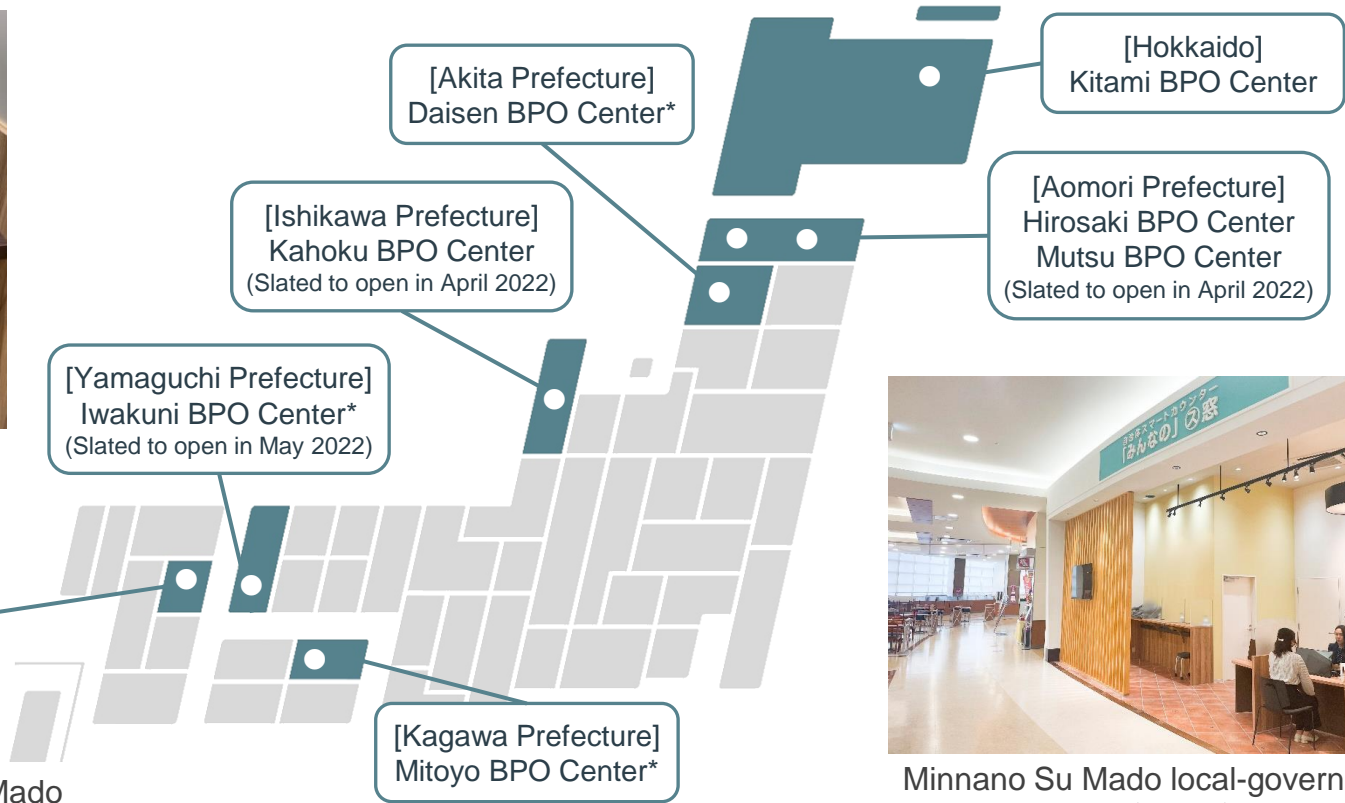
Net sales: 162 million yen (YoY change ---%)

Steady progress was made both in opening new BPO centers and winning contracts for operations. 1Q sales exceeded the figure for the previous period.

- Two BPO centers opened in 1Q. We now provide services to 41 local governments at a total of five centers.
- Plans call for opening three new centers in 2Q.



Online application space



Minnano Su Mado local-government smart counter

* Opening of Minnano Su Mado


Net sales: 98 million yen (YoY change +129.7%)

Consulting business demonstrated rapid growth, bolstered by rising interest in environmental management.

- Disclosure support business in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) is rapidly expanding, with the annual target for orders received achieved in 1Q.
- It was decided that the scope of the Carbon Disclosure Project (CDP) review would be expanded from 500 companies to all companies on the Tokyo Stock Exchange Prime Market (approx. 1,850 companies). This should spur sales growth.

[Blue Dot Green's services]


Step 1: Learning



Accurate grasp of a company's CO₂ emissions

Support for calculating CO₂ emissions


Step 2: Reducing



Reducing CO₂ emissions through company activities

Consulting on reducing emissions



Step 3: Offsetting



Applying credits to offset irreducible CO₂ emissions

Support for carbon offset planning

Step 4: Disclosure

Accurate disclosure to investors of information on a company's climate change countermeasures

Support for climate change risk analysis and disclosure

3. FY2022 Performance Forecasts



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Theme

Creating both social and economic value

Basic policy

Promoting well-balanced portfolio management resistant to environmental changes

High social contributions

Resistant to business cycle changes

High added value

Numerical plans

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

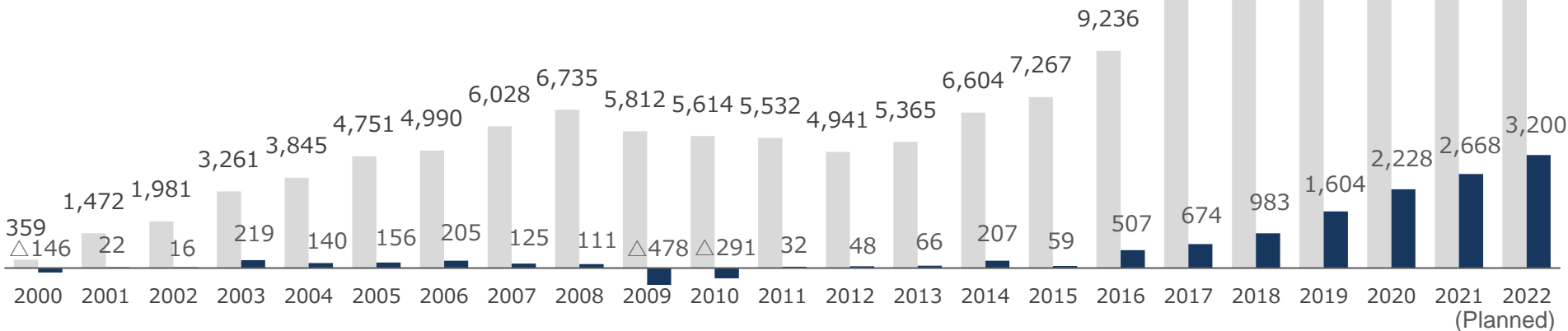
Consolidated dividend payout ratio of **30**% or better
Maintaining high ROE

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

		(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%)

(Unit: million yen)

■ Net Sales
■ Operating profit



FY2022 Performance Forecasts (Details)

(Unit: million yen)	FY2022 planned	FY2021 actual	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 Performance Forecasts by Segment

(Unit: million yen)		FY2022 planned	FY2021 actual	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

Business Solutions Segment: Special Needs Employment Service, Logistics, Wide-area Administrative BPO Services, Environmental Management Support Services, Employment Support Services, etc.
 Human Resource Solutions Segment: Temporary Staffing Services (call centers, sales support, long-term care businesses, etc.)

FY2022 Performance Forecasts by Half

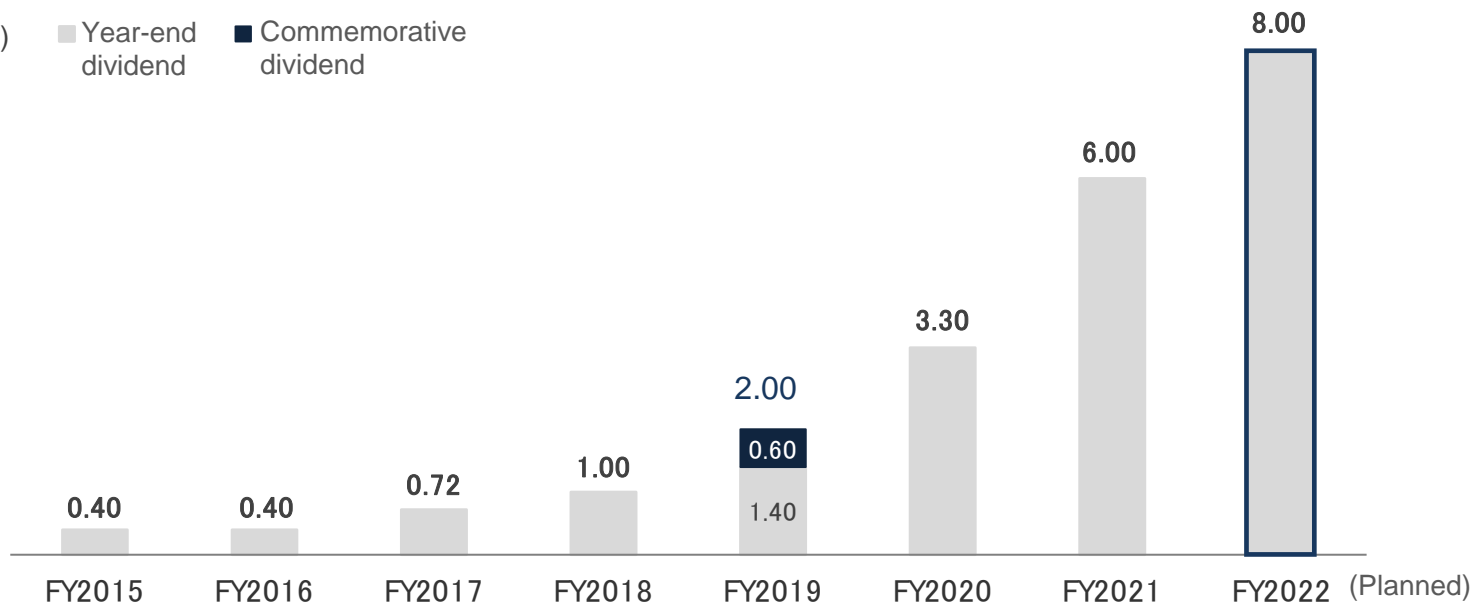
(Unit: million yen)	FY2022 planned		FY2021 actual	
	1H	2H	1H	2H
Net sales	13,522	15,247	11,641	13,221
Gross profit	4,063	4,582	3,361	4,168
Gross profit margin (%)	30.1%	30.1%	28.9%	31.5%
Selling and administrative expenses	2,677	2,768	2,177	2,684
Selling and administrative expenses/ net sales (%)	19.8%	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

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

Dividend plan

(Unit: yen)

■ Year-end dividend ■ Commemorative dividend



Dividend policy

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.)

Name	S-Pool, Inc.	
Origin of name	'Pool' (combination) of Solutions / Systems / Staff / Sustainability	
Head office	Akihabara Dai Building, 1-18-13 Sotokanda, Chiyoda-ku, Tokyo, Japan	
Capital	372,200,000 yen	
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	Prime Section, Tokyo Stock Exchange (Securities Code: 2471)	
Number of employees	974 persons (consolidated, as of end of February 2022)	
Number of facilities	63 locations	

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 FY2021 results.

Parent
company

[Business holding company and new business development]

S-Pool, Inc.



Group member companies

[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.



[Reference materials] Group Network (63 facilities nationwide)

[Group head office] Akihabara

18 branches

- 【Hokkaido】 Sapporo③
- 【Tohoku】 Sendai②
- 【Kanto】 Shinjuku③, Ikebukuro, Yokohama②
- 【Chukyo】 Nagoya
- 【Kansai】 Osaka②
- 【Kyushu】 Hakata②
- 【Okinawa】 Okinawa②

Hokkaido
4

Tohoku
5

Hokuriku
1

30 farms

- 【Tokyo】 Itabashi②
- 【Saitama】 Saitama, Kawagoe, Koshigaya
- 【Chiba】 Chiba③, Ichikawa, Matsudo, Yachiyo, Funabashi③, Kashiwa③, Ichihara②, Mobara②
- 【Aichi】 Nagoya, Kasugai, Komaki, Tokai, Toyoake, Miyoshi, Nagakute
- 【Osaka】 Settsu, Hirakata

2 branches

Akihabara, Osaka

[Distribution centers] 3 facilities

Shinagawa, Urayasu, Tsukuba

[Entry centers] 5 facilities

Kitami, Hirosaki, Komatsushima, Nichinan, Saito

[BPO centers] 7 facilities

Kitami, Hirosaki, Mutsu, Daisen, Kahoku, Mitoyo, Nakatsu

Kyushu/
Okinawa
7

Shikoku
2

Kansai
4

Chubu
8

Kanto
32



S-Pool, Inc.

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