

Results Briefing Materials

3Q FY2022

October 4, 2022

S-Pool, Inc.

Prime Section, Tokyo Stock Exchange (2471)



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

A large, 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.



1. 3Q FY2022 Performance Results

S-POOL

3Q FY2022
overview of
accounts
settlement

■ **Rapid growth in the Business Solutions Segment offset the slowdown in the Human Resource Solutions Segment.**

Net sales	20,019	million yen (YoY change +11.0%)
Operating profit	2,274	million yen (YoY change +17.7%)
Net income*	1,444	million yen (YoY change +14.0%)

* Net income attributable to owners of the parent

3Q FY2022
overview by
business
segment

[Human Resource Outsourcing Services]

Net sales **12,873** million yen (YoY change +1.1%)

Growth in the call center business slowed due to fewer spot transactions.

[Special Needs Employment Services]

Net sales **3,937** million yen (YoY change +31.8%)

Management revenues provided steady support for earnings. Sales activities proceeded steadily in preparation for 4Q, a period in which sales are typically concentrated.

FY2022
performance
forecasts

■ **Improvements centered on profits will be targeted through growth in the Business Solutions Segment.**

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 fiscal year: 6.0 yen)

- Sluggish sales in Human Resource Outsourcing Services led to a lower growth rate in net sales. At the same time, operating profit continued to increase thanks to growth in highly profitable services.

(Unit: million yen)	3Q FY2022 result	3Q FY2021 result	YoY change	YoY change (%)
Net sales	20,019	18,031	+1,987	+11.0%
Gross profit	6,470	5,280	+1,189	+22.5%
Gross profit margin (%)	32.3%	29.3%		+3.0 pt
Selling and administrative expenses	4,195	3,348	+847	+25.3%
Selling and administrative expenses / net sales (%)	21.0%	18.6%		+2.4 pt
Operating profit	2,274	1,932	+342	+17.7%
Operating profit margin (%)	11.4%	10.7%		+0.7 pt
Ordinary profit	2,272	1,946	+325	+16.7%
Quarterly net income attributable to owners of the parent	1,444	1,267	+177	+14.0%

■ Rapid growth in the Business Solutions Segment offset the slowdown in the Human Resource Solutions Segment.

(Unit: million yen)		3Q FY2022 result	3Q FY2021 result	YoY change	YoY change (%)
Net sales	Business Solutions Segment	7,243	5,344	+1,898	+35.5%
	Human Resource Solutions Segment	12,873	12,730	+142	+1.1%
	Adjustments	(96)	(42)	-	-
	Total	20,019	18,031	+1,987	+11.0%
Operating profit	Business Solutions Segment	2,053	1,387	+665	+48.0%
	Human Resource Solutions Segment	1,322	1,489	-167	-11.2%
	Adjustments	(1,100)	(944)	-	-
	Total	2,274	1,932	+342	+17.7%
Operating profit margin	Business Solutions Segment	28.3%	26.0%	-	+2.3 pt
	Human Resource Solutions Segment	10.3%	11.7%	-	-1.4 pt
	Total	11.4%	10.7%	-	+0.7 pt

Business Solutions Segment:	Special Needs Employment Services, 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.)
Adjustments (operating profit):	Mainly administrative section costs, Groupwide system costs, etc.

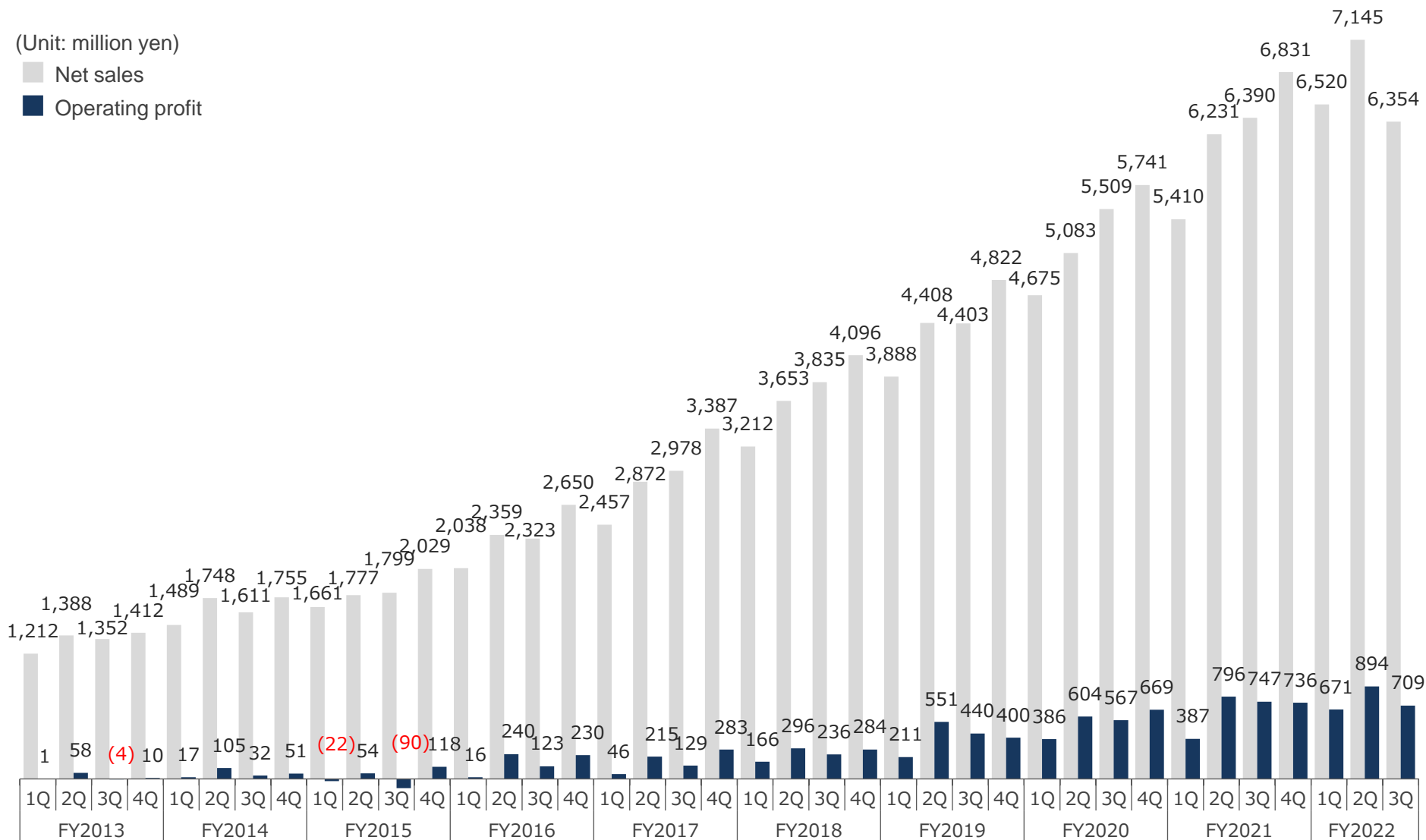
Trends in Quarterly Business Performance




- In 3Q, net sales declined due to sluggish sales in Temporary Staffing Services.
- Operating profit reached targets as planned thanks to growth in highly profitable services.

(Unit: million yen)

- Net sales
- Operating profit





2. 3Q FY2022 Overview by Business Segment

Human Resource Outsourcing Services

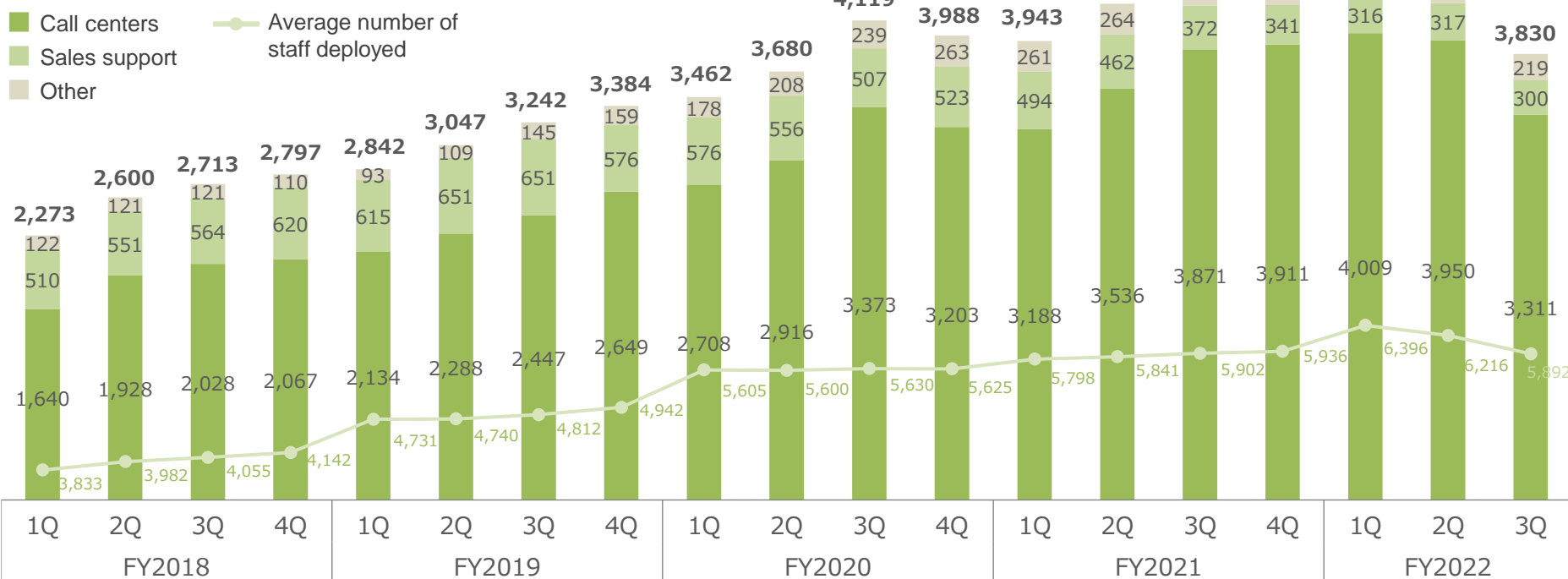
Net sales: 12,873 million yen (YoY change +1.1%)

Growth in the call center business slowed considerably due to fewer spot transactions. Urgent cost cutting measures were implemented.

[Call centers] 11,271 million yen (YoY change +6.4%) [Sales support] 934 million yen (YoY change -29.7%)

- The call centers business was impacted strongly by delays in securing new transactions and lower net sales due to increased absences caused by COVID-19.
- Cost-cutting efforts, including branch consolidations, were implemented in response to lower net sales. These efforts should generate full-fledged results in 4Q and later.

(Unit: million yen)



Net sales: **3,937** million yen (YoY change +31.8%)

Earnings showed steady growth thanks to the accumulation of stock revenues. Sales activities proceeded steadily in preparation for 4Q, a period in which sales are typically concentrated.

[Equipment sales] 218 sections (planned: 175–225 sections)

[Customers] 482 companies (one company cancelled in 3Q / cancellation rate of 0.2%) [Farms] 34 facilities

[Sections managed] 5,773 sections [Number of employees] 2,886 persons [Retention rate] 92%

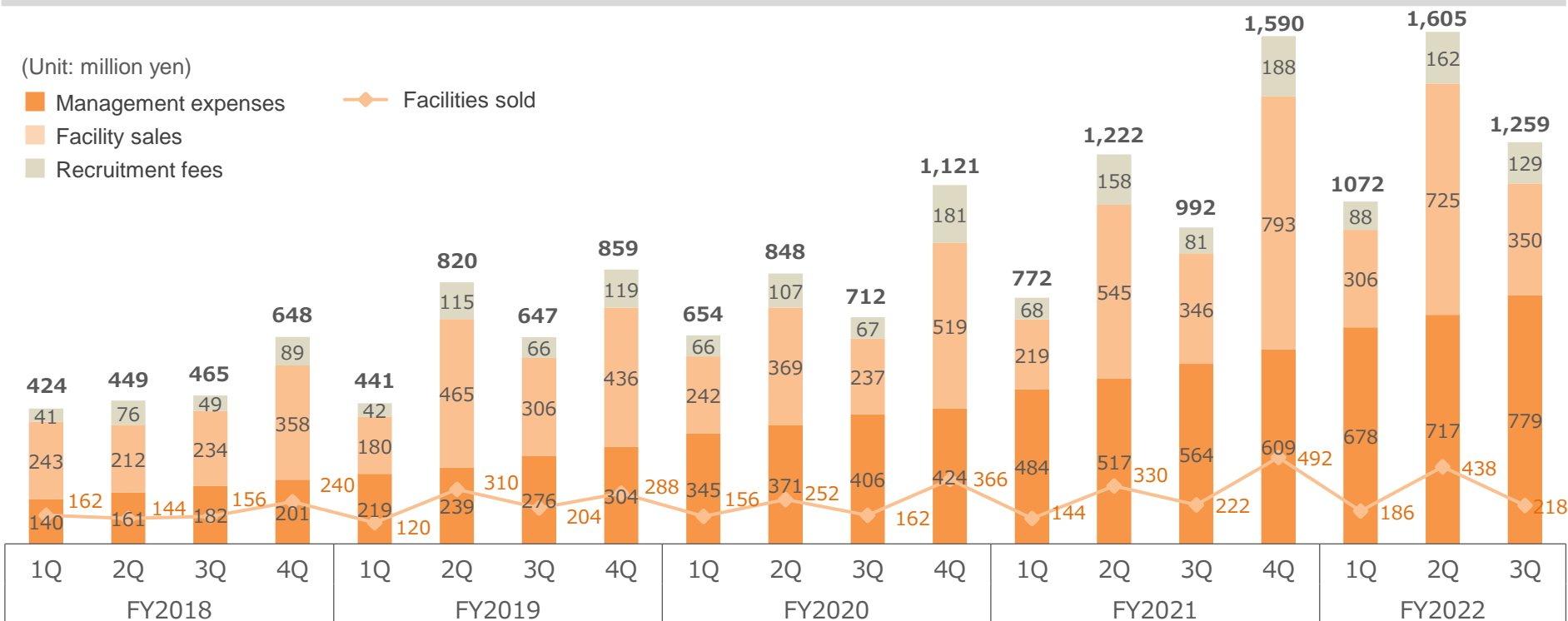
Equipment sales reached targets as planned in 3Q. Two farms opened.

- Sales activities were strong. A balance of orders for approximately 550 sections received (including those planned for delivery in the next fiscal year) was maintained vs. planned 4Q sales of 400–450 sections.

(Unit: million yen)

Management expenses
Facility sales
Recruitment fees

Facilities sold



Net sales: **984** million yen (YoY change +6.2%)

Amid restructuring of business foundations, signs indicating a gradual recovery toward resumed growth are emerging.

[E-commerce shipping agent services] 895 million yen (YoY change +6.6%)

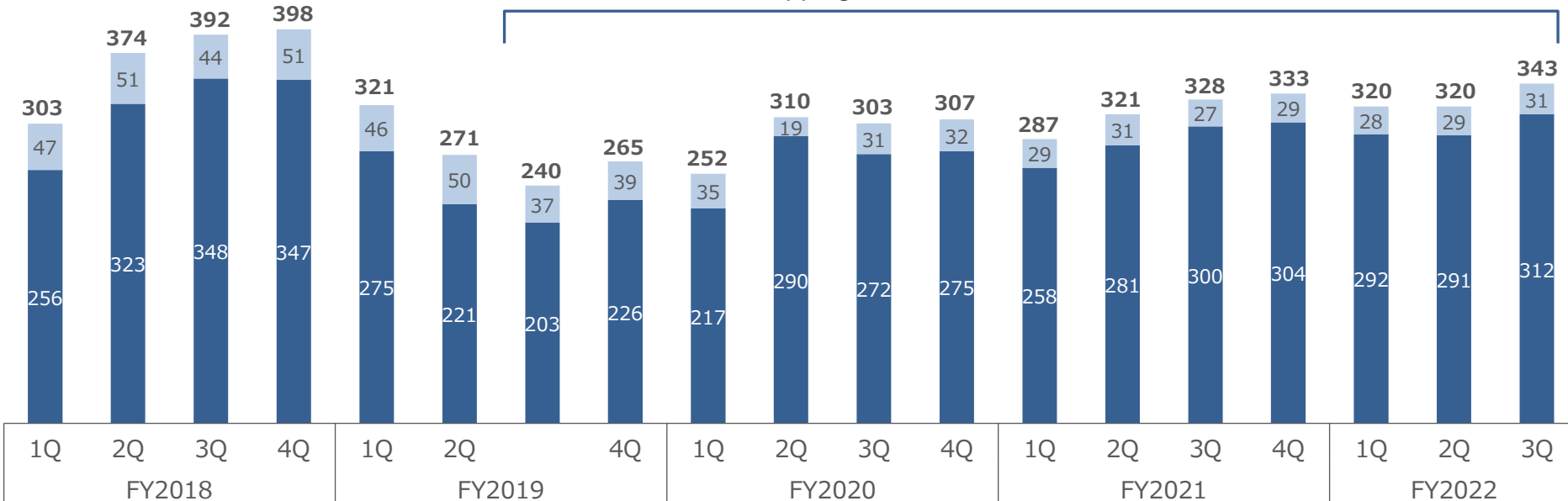
[Distribution center operations] 89 million yen (YoY change +2.4%)

- Earnings are stabilizing due to efforts for disposition of low-profit transactions. Net sales growth was achieved amid transformation of the customer base.
- New transactions were secured at a steady rate. These transactions should contribute to net sales from 4Q.

(Unit: million yen)

- E-commerce shipping agent services
- Distribution center operations

Shipping costs not included in net sales recorded



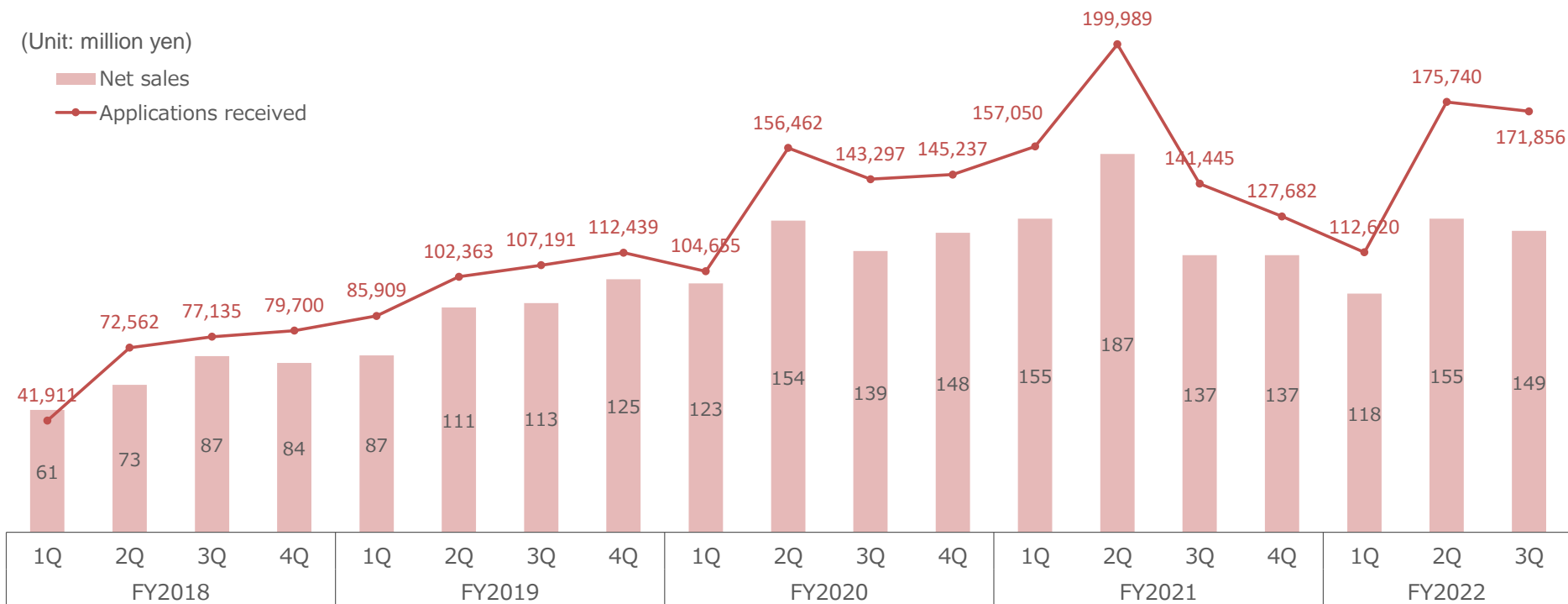
Net sales: 422 million yen (YoY change -11.8%)

A new wave of COVID-19 dampened net sales recovery.

- A new wave of COVID-19 led to another major decrease in food service hiring.
- While service hiring recovered, the number of job seekers did not rebound. This contributed to slow growth.
- Sales activities for new transactions were favorable. The number of trading partners increased steadily. Employment is expected to grow after the end of the COVID-19 pandemic.

(Unit: million yen)

■ Net sales
● Applications received



Net sales: 605 million yen (YoY change ---%)

Full-year net sales largely reached targets as planned. The launch of new services enabled the expansion of operations to urban areas.

- The provision of standalone online contact point services has begun. Twelve local governments have adopted these services. This number is expected to increase to 25 by the end of this fiscal year.
- The number of new centers opened was revised from seven to eight. The number of centers has grown to 11 in just 1.5 years since launching the business.
- Negotiations with local governments will accelerate in 4Q toward the goal of opening 10 centers in the next fiscal year.

Shared BPO centers

These centers provide shared BPO services to consolidate administrative services of multiple local governments.

Local government smart counters

These provide administrative services on behalf of local governments. Administrative services for multiple nearby local governments can be provided together at a single contact point.

Local government online contact points

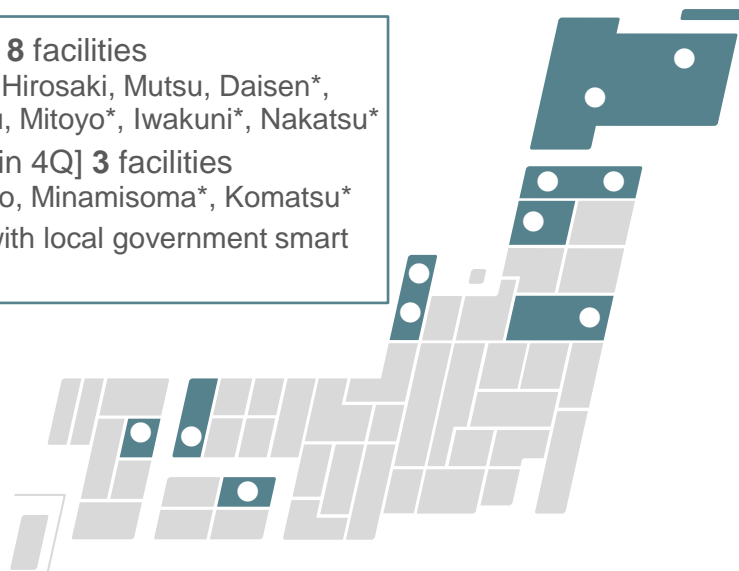
[Opened] **8** facilities

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

[To open in 4Q] **3** facilities

Sapporo, Minamisoma*, Komatsu*

* Facility with local government smart counter



Opening administrative contact points inside shopping centers
Responding to inquiries from residents in person

4 facilities have opened nationwide



Setting up online contact points in various locations
Responding to inquiries from residents at remote locations

Adopted by 12 local governments nationwide

Net sales: **639** million yen (YoY change +189.2%)

The growing importance of environmental information disclosure serves as a tailwind growth force. Planned full-year net sales were significantly exceeded in 3Q.

- The Carbon Disclosure Project (CDP) business grew rapidly. Orders received doubled from the previous fiscal year. Bulk delivery of orders took place in 3Q.
- Even after peaking this fiscal year, new orders received in TCFD consulting business remain steady.
- In 4Q, the main focus should be preparations for the next fiscal year, in particular sales activity enhancements and new service development.

[Blue Dot Green's services]

Step 1: Learning



Accurate grasp of a company's CO₂ emissions

Support for calculating CO₂ emissions

Step 2: Reducing



Reduction of CO₂ emissions through company activities

Consulting on reducing emissions

Step 3: Offsetting



Offsetting of irreducible CO₂ emissions by applying credits

Support for carbon offsetting

Step 4: Disclosing



Accurate disclosure of information to investors on company climate change countermeasures

Support for climate change risk analysis and information 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

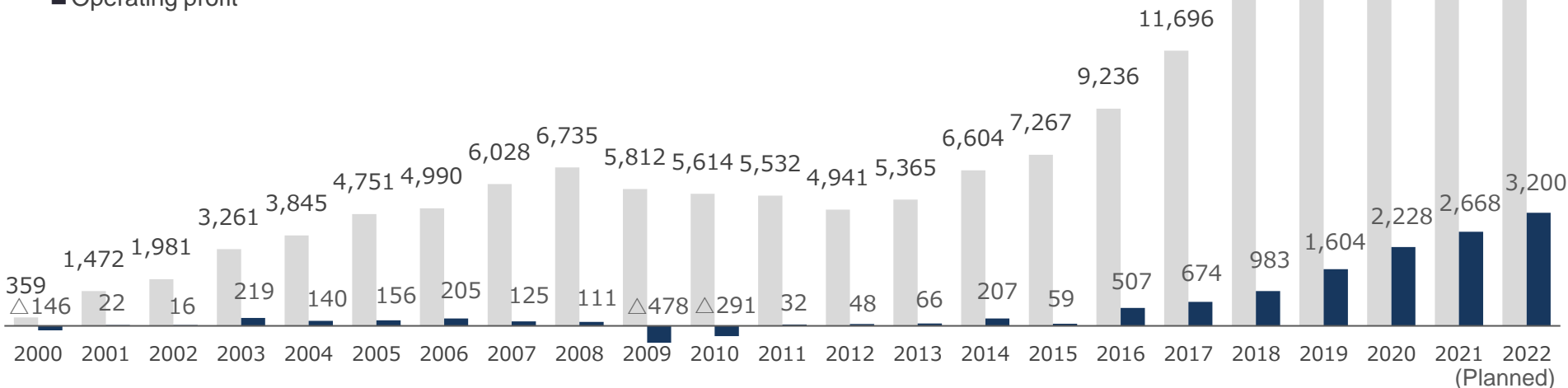
Consolidated dividend payout ratio of **30**% or better
Maintaining high ROE

■ 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



■ Net sales are projected to slow somewhat due to a decline in the Human Resource Solutions Segment.

Profits, on the other hand, are projected to remain strong. Increased profits will be targeted through growth in the Business Solutions Segment.

(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 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 Services, 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.)
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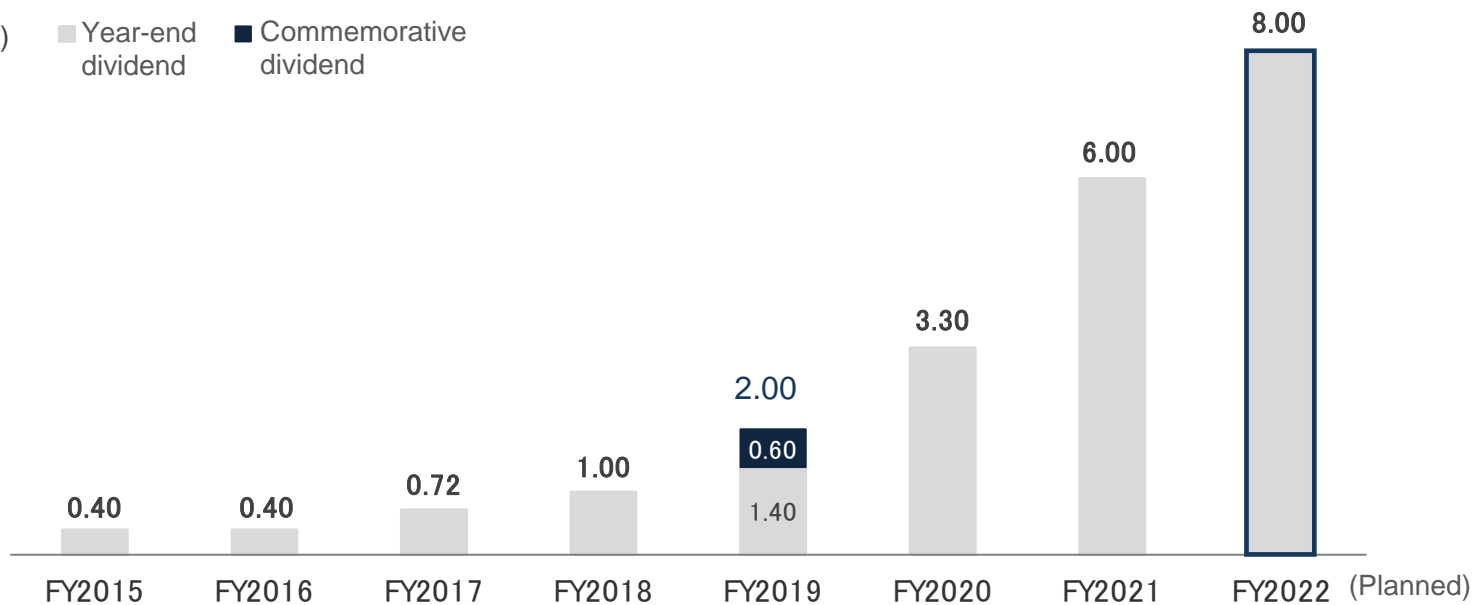
■ FY2022 dividend of 8.0 yen planned (Consolidated payout ratio of 29.6%)

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.)

■ The selection of four of the five ESG investment indices used by the GPIF is planned.

FTSE Russell [UK]



ESG Rating: 3.8

(roughly corresponding to the top 20%)

[Included in the following indices]

FTSE Blossom Japan Index (229 companies)

FTSE Blossom Japan Sector Relative Index (493 companies)



FTSE Blossom
Japan



FTSE Blossom
Japan Sector
Relative Index

MSCI [US]

MSCI
ESG RATINGS



CCC B BB BBB A **AA** AAA

ESG Rating: AA
(Second highest of seven levels)

[Included in the following index]

MSCI Japan ESG Select Leaders (305 companies)



MSCI Japan ESG
Select Leaders Index

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	1,063 persons (consolidated, as of end of August 2022)	
Number of facilities	66 locations	

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.



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.

[Reference materials] Group Network (66 facilities nationwide)

[Group head office] Akihabara

15 branches

- 【Hokkaido】 Sapporo②
- 【Tohoku】 Sendai
- 【Kanto】 Shinjuku, Ikebukuro, Marunouchi, Yokohama②
- 【Chukyo】 Nagoya
- 【Kansai】 Osaka②
- 【Kyushu】 Hakata②
- 【Okinawa】 Okinawa②

5 facilities

Kitami, Hirosaki, Komatsushima, Nichinan, Saito

35 farms

- 【Tokyo】 Itabashi②
- 【Kanagawa】 Yokohama
- 【Saitama】 Saitama, Kawagoe②, Koshigaya, Urawa
- 【Chiba】 Chiba③, Ichikawa, Matsudo, Kashiwa③, Funabashi③, Yachiyo, Ichihara②, Mobara②
- 【Aichi】 Nagoya, Kasugai, Komaki②, Tokai, Nagakute Toyoake, Miyoshi,
- 【Osaka】 Osaka, Hirakata, Settsu

Hokuriku
1

Hokkaido
3

Tohoku
4

Kanto
34

Kyushu/
Okinawa
7

Chugoku
1

Kansai
5

Chubu
9

Shikoku
2

[BPO centers] 8 facilities

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

[Distribution centers]

Shinagawa, Urayasu, Tsukuba

2 branches

Akihabara, Osaka



S-Pool, Inc.

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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 provided regarding future figures or measures.