



Results Briefing Materials

1Q FY2023

April 4, 2023

S-Pool, Inc.

Prime Section, Tokyo Stock Exchange (2471)



1. 1Q FY2023 Performance Results
2. 1Q FY2023 Overview by Business Segment
3. FY2023 Performance Forecasts

S-POOL



1. 1Q FY2023 Performance Results

1Q FY2023
overview of
accounts
settlement

■ **1Q got underway as planned, despite lower revenues and profits attributable to a reactionary decline in demand for Temporary Staffing Services.**

Net sales	6,089 million yen (YoY change -6.6%)
Operating profit	452 million yen (YoY change -32.5%)
Net income*	288 million yen (YoY change -35.4%)

*Quarterly net income attributable to owners of the parent

1Q FY2023
overview by
business
segment

[Business Solutions Segment]

Net sales **2,499 million yen** (YoY change +25.3%)

Both new businesses (Wide-area Administrative BPO Services and Environmental Management Support Services) continued to grow.

[Human Resource Solutions Segment]

Net sales **3,615 million yen** (YoY change -20.5%)

Revenues decreased due to a reactionary decline in spot transactions for call center services.

■ **We aim to reliably achieve the full-year targets, mainly thanks to a strong Business Solutions Segment.**

FY2023
performance
forecasts

Net sales	28,288 million yen (YoY change +6.1%)
Operating profit	3,620 million yen (YoY change +17.1%)
Projected dividend	10.0 yen (previous year: 8.0 yen)

1Q FY2023 Financial Results



Revenue and profits decreased due to a reactionary drop in demand in the Human Resources Solutions Segment in 1Q; all segments experienced a slow period.

Numbers were slightly higher than planned, especially in terms of income.

(Unit: million yen)	FY2023 1Q result	FY2022 1Q result	YoY change	YoY change (%)
Net sales	6,089	6,520	-430	-6.6%
Gross profit	1,850	2,024	-174	-8.6%
Gross profit margin (%)	30.4%	31.1%		-0.7 pt
Selling and administrative expenses	1,397	1,353	+44	+3.3%
Selling and administrative expenses/ net sales (%)	23.0%	20.8%		+2.2pt
Operating profit	452	671	-218	-32.5%
Operating profit margin (%)	7.4%	10.3%		-2.9pt
Ordinary profit	454	667	-212	-31.9%
Quarterly net income attributable to owners of the parent	288	447	-158	-35.4%

1Q FY2023 Results by Segment

Revenue in the Human Resources Solutions Segment decreased due to a reactionary drop in spot transactions for call center services.

The Business Solutions Segment performed well. The decrease in income was due to seasonal factors.

(Unit: million yen)		FY2023 1Q result	FY2022 1Q result	YoY change	YoY change (%)
Net sales	Business Solutions Segment	2,499	1,995	+504	+25.3%
	Human Resource Solutions Segment	3,615	4,549	-934	-20.5%
	Adjustments	(25)	(24)	-	-
	Total	6,089	6,520	-430	-6.6%
Operating profit	Business Solutions Segment	533	485	+47	+9.8%
	Human Resource Solutions Segment	321	540	-219	-40.6%
	Adjustments	(401)	(354)	-	-
	Total	452	671	-218	-32.5%
Operating profit margin	Business Solutions Segment	21.3%	24.3%	-	-3.0pt
	Human Resource Solutions Segment	8.9%	11.9%	-	-3.0pt
	Total	7.4%	10.3%	-	-2.9pt

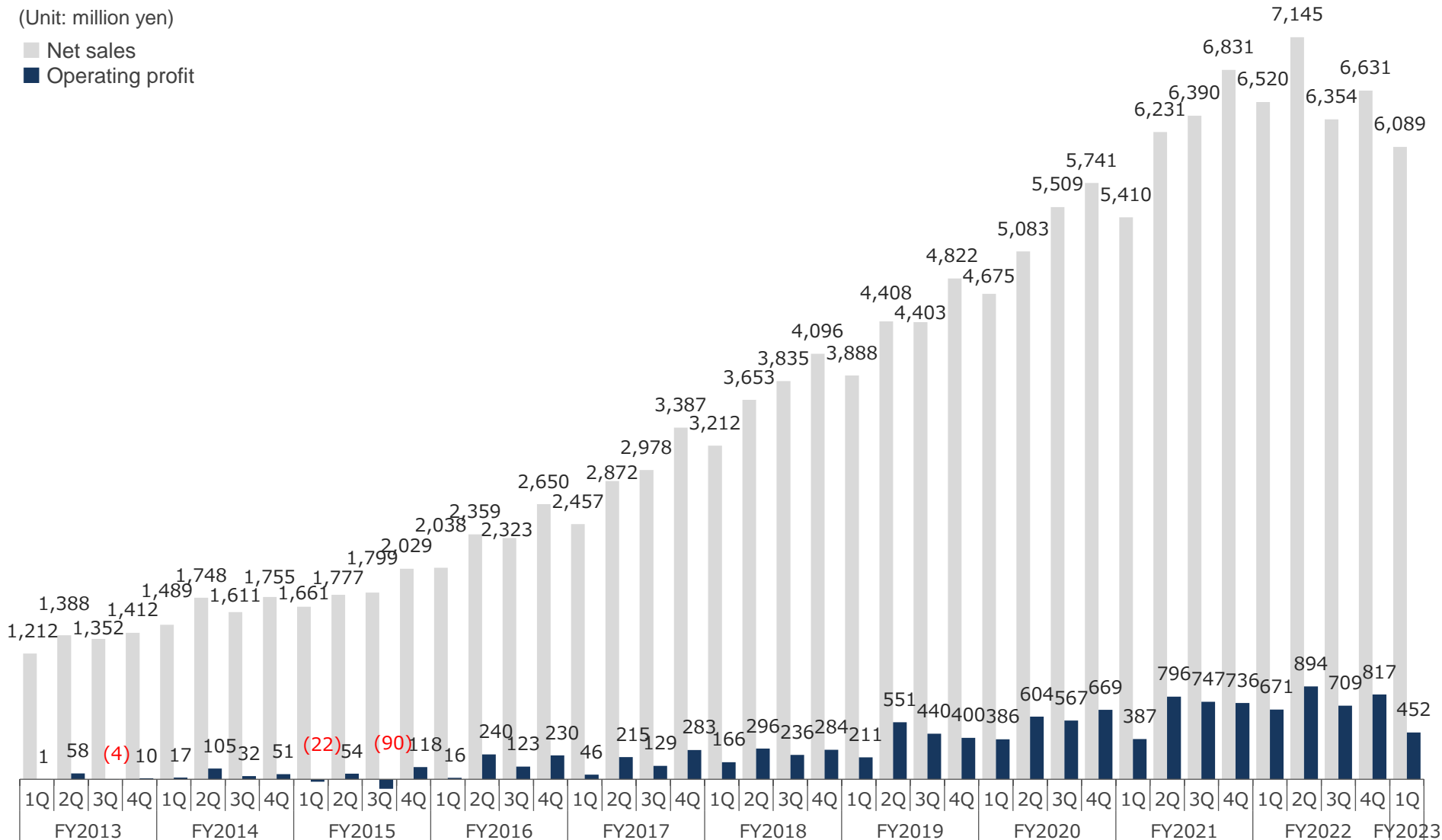
Business Solutions Segment:	Outsourcing Services (Special Needs Employment Services, Logistics Outsourcing Services, Employment Support Services, Wide-area Administrative BPO Services, Environmental Management Support Services, etc.)
Human Resource Solutions Segment:	Temporary Staffing Services (call centers, sales support, long-term care businesses, etc.)
Adjustments (Operating profit):	Mainly management expenses, group-wide system costs, etc.

Trends in Quarterly Business Performance

1Q results were in line with plans. We expect significant growth from 2Q as usual.

(Unit: million yen)

■ Net sales
■ Operating profit



A large, faded watermark of the S-POOL logo is centered on the slide. It consists of a stylized 'S' inside a square, with the text "S-POOL" below it.

2. 1Q FY2023 Overview by Business Segment

Net sales: 3,615 million yen (YoY change -20.5%)

Despite signs of recovery in staffing demand, no full-fledged recovery is expected to begin until 2H.

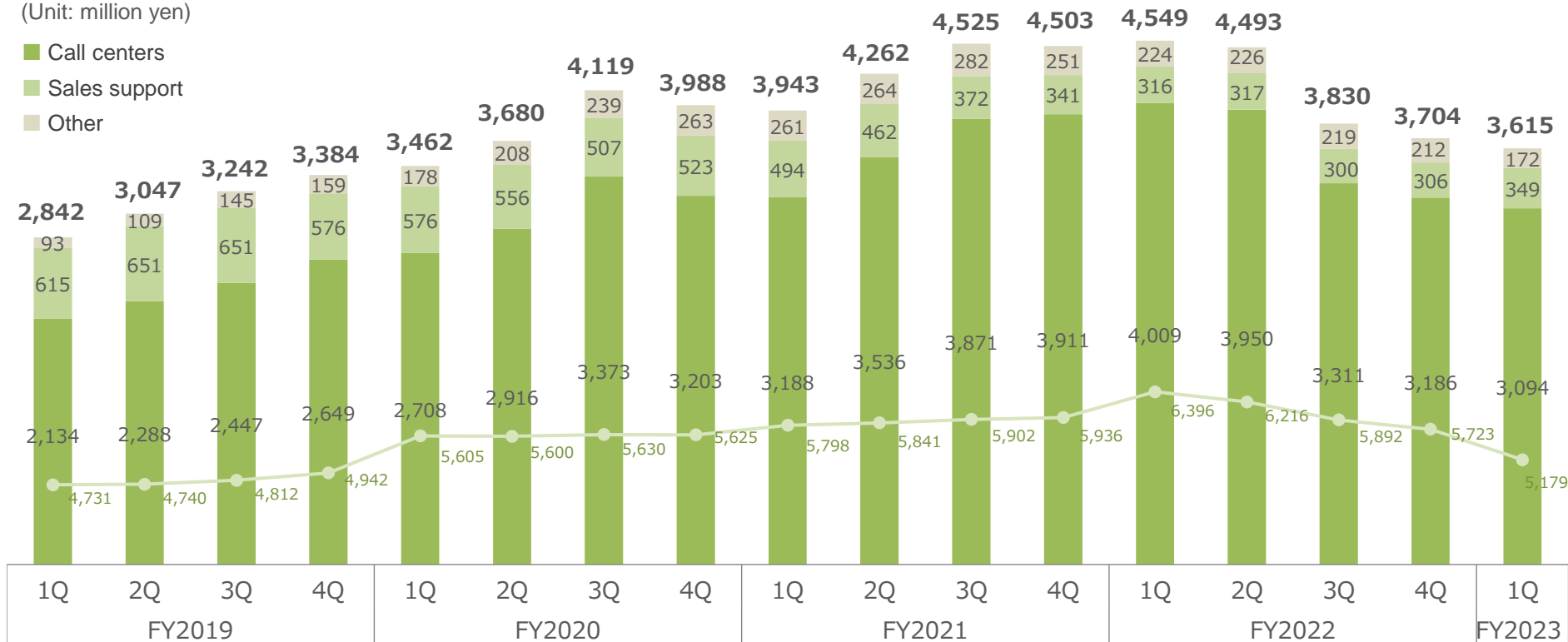
[Call centers] Net sales: 3,094 million yen (YoY change -22.8%)

[Sales support] Net sales: 349 million yen (YoY change +10.5%)

- A gradual acquisition of new orders proved insufficient to offset a decline in spot transactions.
- In the sales support business, the decline in sales was halted by focused efforts on hotels and airlines, which had suffered marked labor shortages.

(Unit: million yen)

- Call centers
- Sales support
- Other



Net sales: 1,160 million yen (YoY change +8.2%)

Despite delays to 2Q in sales of certain equipment, the 1Q started mainly according to plan.

[Equipment sales] 108 sections (planned: 100-150 sections)

[Number of employees] 3,159 persons

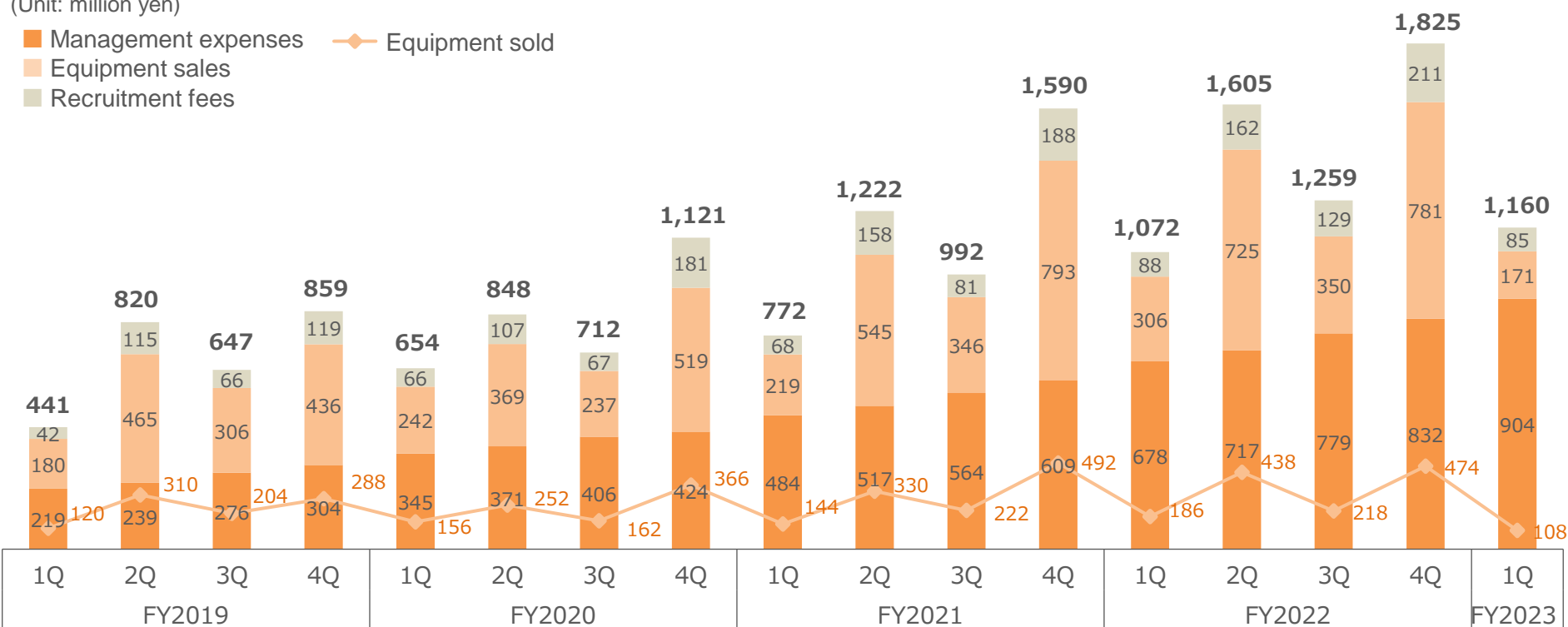
[Customers] 523 companies (new: 12; cancellations: 0)

[Sections managed] 6,319 sections [Retention rate] 92%

- New orders in 1Q remained at the same level YoY. Additional orders from existing customers were strong.
- One outdoor farm opened. Facilities now total 38. We have selected the nine facilities that will open this term.

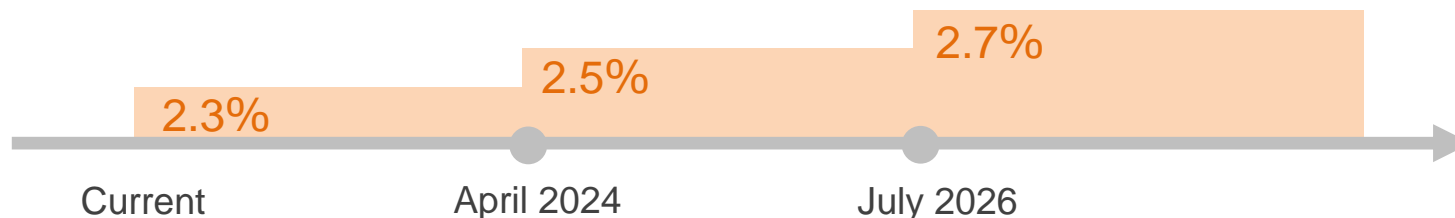
(Unit: million yen)

■ Management expenses ◆ Equipment sold
■ Equipment sales
■ Recruitment fees



[March 2023 Revision of the Act for Promotion of Employment of Persons with Disabilities]

- The revision will increase the statutory employment rate for those with disabilities from the current figure of 2.3% to 2.5% effective April 2024, and to 2.7% effective July 2026.
- None of the other changes will significantly affect our business.



[Our Activities Over the Last Three Months]

We engaged authorities in discussions to identify the status of these legislative changes and to promote understanding of our business.

↳ [Positives]

- These efforts create needed employment opportunities especially for those with intellectual disabilities who have fewer job opportunities.
- The retention rate of farm workers is very high. Most express the wish to continue working.

↳ [Challenges/ Requests]

- These jobs contribute to the economic independence of those with disabilities.
- More effort is needed to realize a truly inclusive society.
- Ideally, more career paths must be established for farm workers.

[Future Priority Initiatives]

- We will appropriately address the issues and requests raised and strive to build a business supported by an even wider segment of the public.
- We will establish a system to ensure the sound and appropriate development of not just our company, but the industry as a whole.

*We are unable to provide specific details on all developments underway.

Net sales: 362 million yen (YoY change +12.6%)

Revenue at existing centers remained stable. Preparations for opening new centers are also on track.

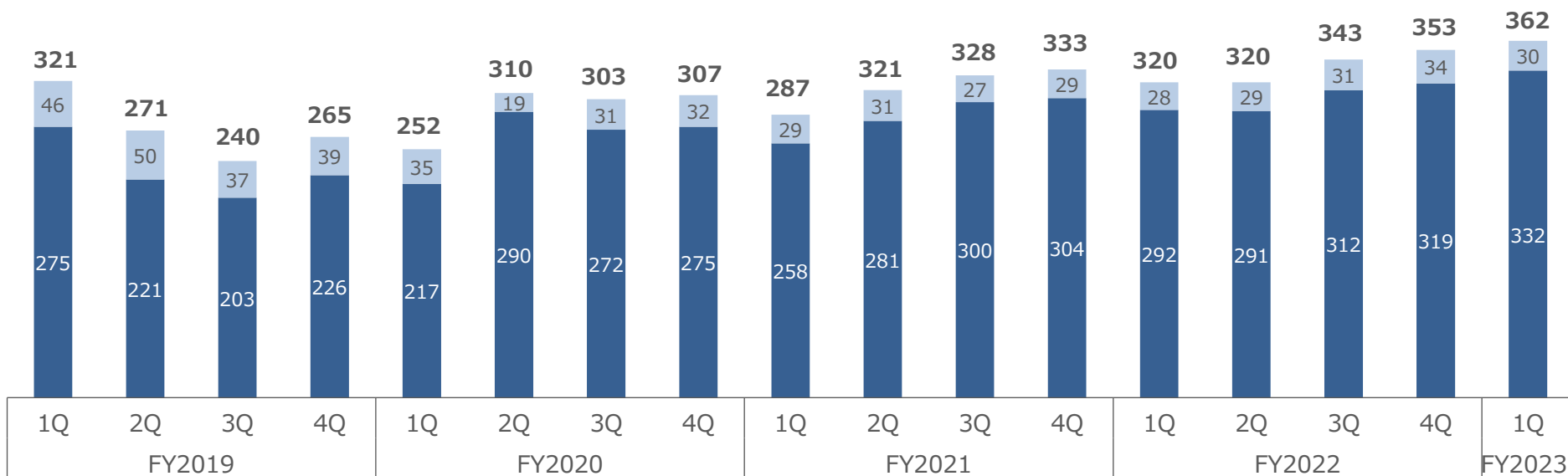
[e-Commerce shipping agent services] 332 million yen (YoY change +12.9%)

[Distribution center operations] 30 million yen (YoY change +8.1%)

- Profitability improved due to the elimination of unprofitable transactions and the effects of business improvements.
- Strengthened sales efforts in preparation for the opening of the new center in August resulted in orders exceeding the BEP.

(Unit: million yen)

- e-Commerce shipping agent services
- Distribution center operations



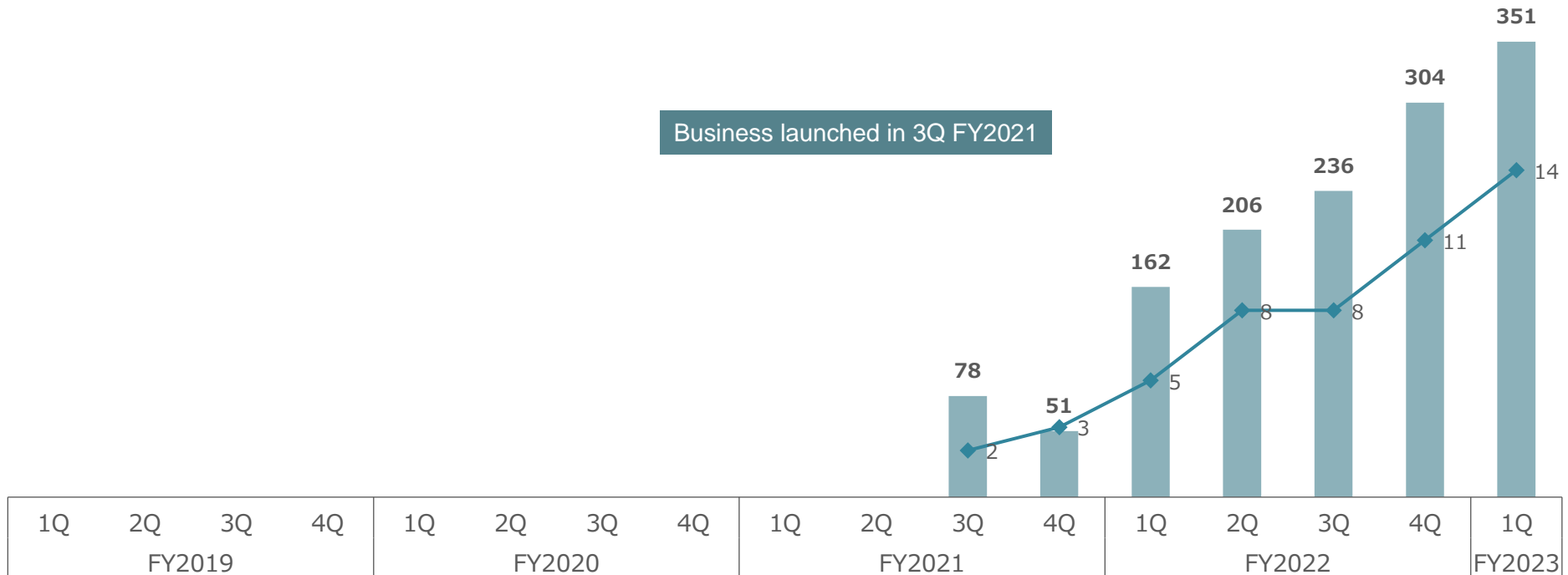
Net sales: **351** million yen (YoY change +116.3%)

Net sales grew. Inquiries from local governments are strong. The opening of new centers continues apace.

[BPO Centers] 14 [Centers with Smart Counters] 7

- Three new centers opened in 1Q. We plan to open several more (seven) in 2Q. (Plan for this term: 13-15 openings)
- The installation of online counters remains on track, with 200 installed at 58 municipalities in the six months since the service launch.

■ Net Sales (Unit: million yen)
◆ Centers



Net sales: **172** million yen (YoY change +69.1%)

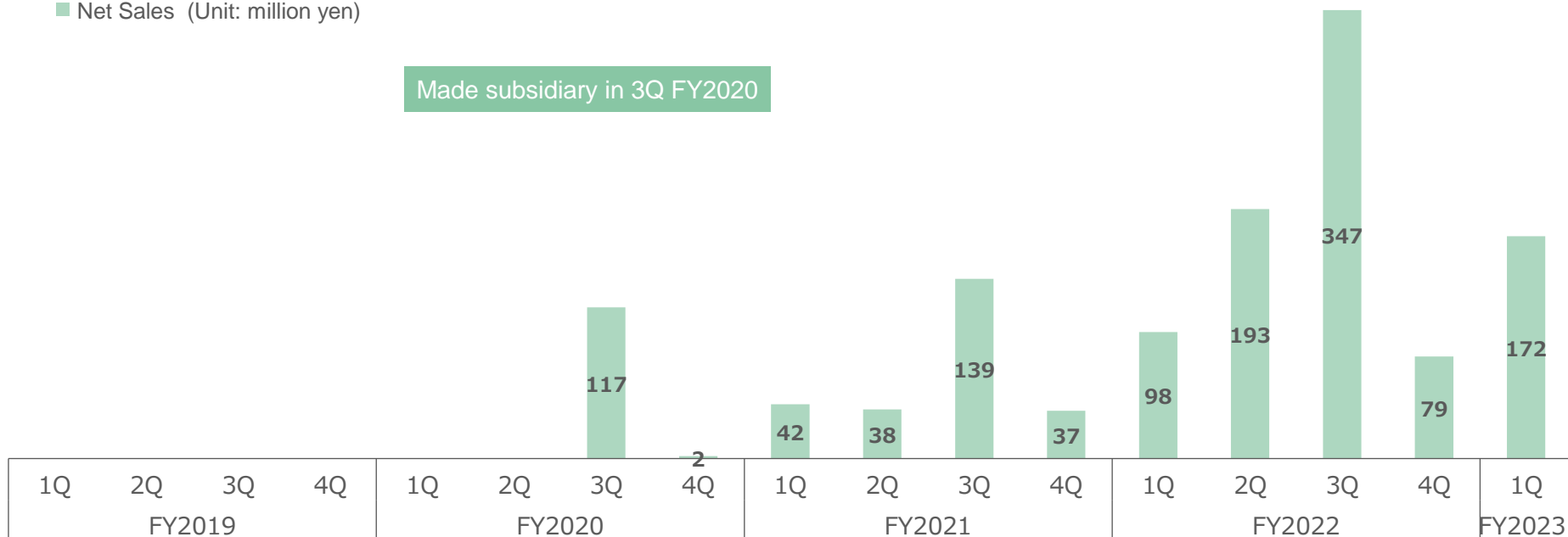
Transactions grew steadily, transactions with listed companies in particular, due to the growing importance of environmental information disclosure (EID).

- Both net sales for TCFD Disclosure Support Services and sales of carbon credits grew in 1Q.
- Orders for CDP Response Support Services (recorded in 3Q) were received ahead of schedule, particularly those from existing customers.
- Interest in the new service (LCA/CFP Calculation Support) is high. Sales are proceeding favorably.

LCA: Life Cycle Assessment, a method for assessing the environmental impact of a product or service

CFP: Carbon Footprint, a system for disclosing the greenhouse gas emissions generated by a product or service over its life cycle in an easily understood manner by converting emissions into the CO₂ equivalent

■ Net Sales (Unit: million yen)



Net sales: **175** million yen (YoY change +42.1%)

Net sales continue to recover, driven by an increase in job openings, particularly in the food and beverage industry.

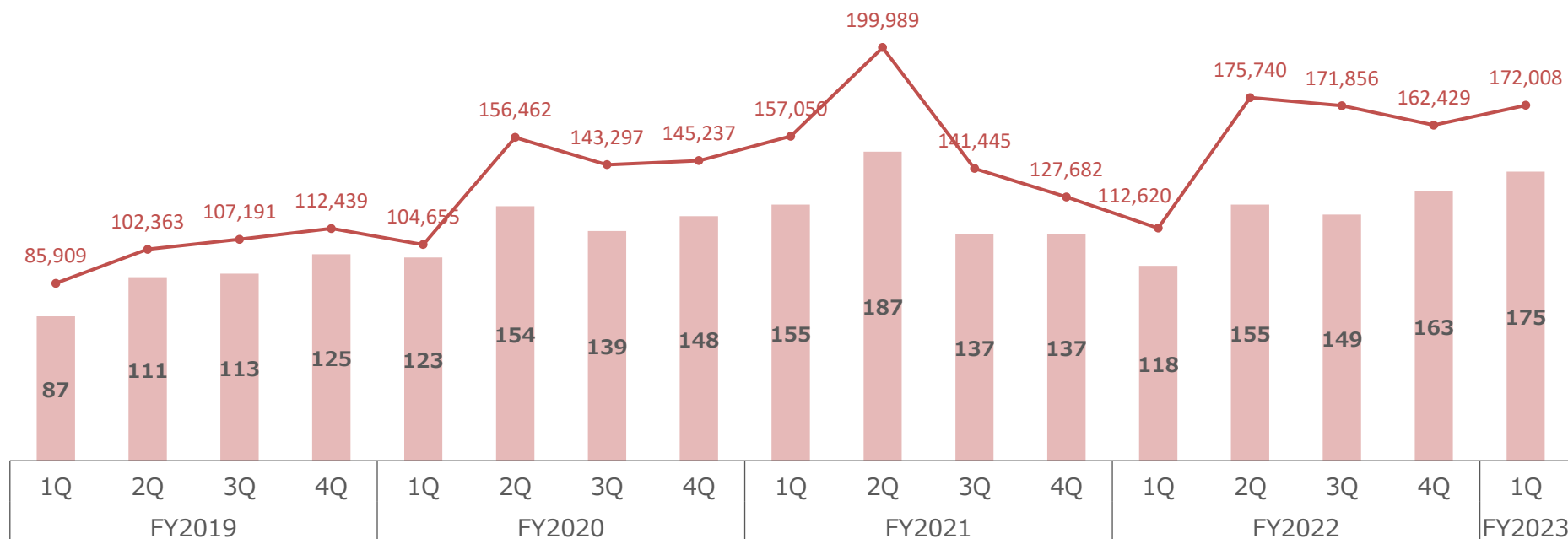
[Applications received] 1Q: 172,008 applications (YoY change +52.7%)

- Part-time job openings exceeded pre-pandemic levels, reaching an all-time high.
- Utilization rates of our centers improved in line with the recovery of job openings, contributing to higher profit margins.

(Unit: million yen)

Net sales

Applications received



3. FY2023 Performance Forecasts



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	<table border="1"><tr><td>Business strategy ①</td><td>Maintaining organic growth by building on existing businesses</td></tr><tr><td>Business strategy ②</td><td>Securing growth opportunities in new business domains</td></tr><tr><td>Organizational strategy</td><td>Enhancing management foundations based on ESG</td></tr></table>	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
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						

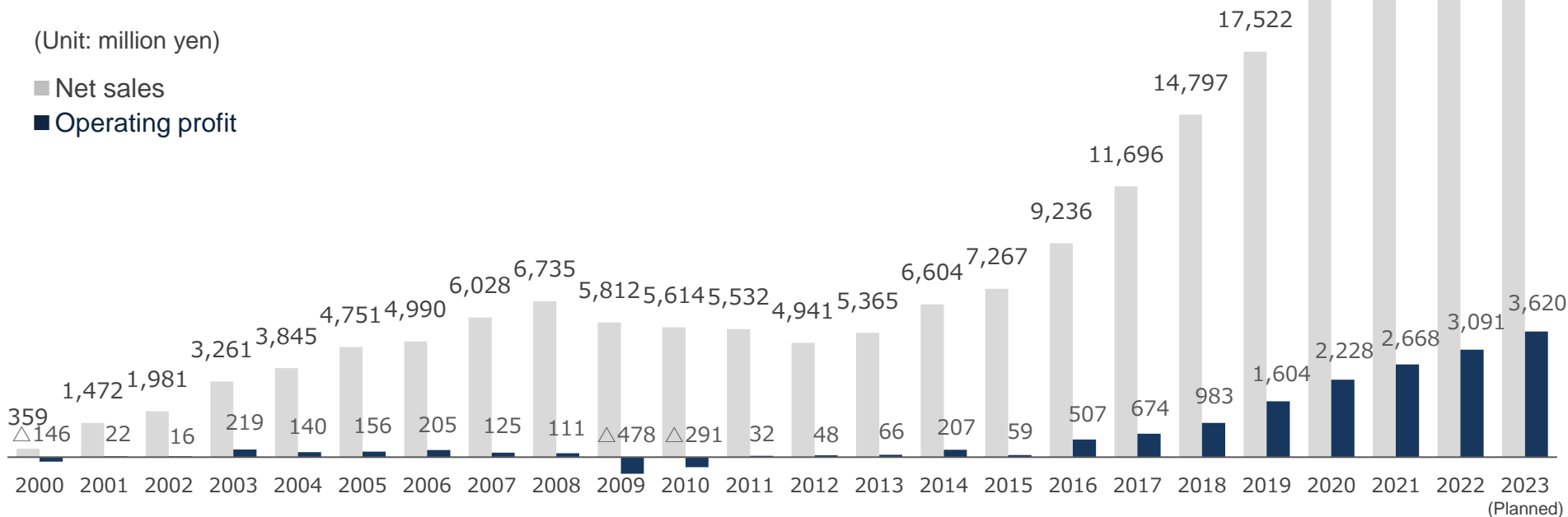
We are targeting new record highs in net sales (for the 11th consecutive year) and operating income (for the eighth consecutive year).

		(YoY change)
Net sales	28,288 million yen	(+6.1%)
Operating profit	3,620 million yen	(+17.1%)
Ordinary profit	3,596 million yen	(+15.3%)
Net income attributable to owners of the parent	2,427 million yen	(+34.2%)

(Unit: million yen)

■ Net sales

■ Operating profit



Growth in net sales is projected to be limited due to the effects of a decline in the Human Resource Solutions Segment.

Operating profit, on the other hand, is projected to continue to increase thanks to growth in the Business Solutions Segment.

(Unit: million yen)	FY2023 planned	FY2022 result	YoY change	YoY change (%)
Net sales	28,288	26,650	+1,637	+6.1%
Gross profit	9,651	8,741	+910	+10.4%
Gross profit margin (%)	34.1%	32.8%		+1.3 pt
Selling and administrative expenses	6,031	5,649	+382	+6.8%
Selling and administrative expenses/ net sales (%)	21.3%	21.2%		+0.1 pt
Operating profit	3,620	3,091	+528	+17.1%
Operating profit margin (%)	12.8%	11.6%		+1.2 pt
Ordinary profit	3,596	3,118	+477	+15.3%
Quarterly net income attributable to owners of the parent	2,427	1,809	+618	+34.2%

Driven by the Business Solutions Segment

(Unit+A1:J12: million yen)		FY2023 planned	FY2022 result	YoY change	YoY change
Net sales	Business Solutions Segment	12,908	10,202	+2,705	+26.5%
	Human Resource Solutions Segment	15,800	16,577	-777	-4.7%
	Adjustments	(420)	(128)	-	-
	Total	28,288	26,650	+1,637	+6.1%
Operating profit	Business Solutions Segment	3,635	2,921	+713	+24.4%
	Human Resource Solutions Segment	1,620	1,669	-48	-2.9%
	Adjustments	(1,635)	(1,498)	-	-
	Total	3,620	3,091	+528	+17.1%
Operating profit margin	Business Solutions Segment	28.2%	28.6%	-	-0.4pt
	Human Resource Solutions Segment	10.3%	10.1%	-	+0.2pt
	Total	12.8%	11.6%	-	+1.2pt

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 (net sales): Mainly administrative section costs, Groupwide system costs, etc.

Lower revenue and profits are expected in 1H due to the impact of lower Human Resources Outsourcing Services revenue.

We anticipate a significant increase in revenue and profits in 2H.

(Unit: million yen)	FY2023 planned		FY2022 result	
	1H	2H	1H	2H
Net sales	13,227	15,060	13,665	12,985
Gross profit	4,387	5,264	4,400	4,341
Gross profit margin (%)	33.2%	35.0%	32.1%	33.4%
Selling and administrative expenses	2,980	3,051	2,835	2,814
Selling and administrative expenses/ net sales (%)	22.5%	20.3%	20.7%	21.6%
Operating profit	1,407	2,212	1,565	1,526
Operating profit margin (%)	10.6%	14.7%	11.4%	11.7%
Ordinary profit	1,395	2,200	1,568	1,550
Net income attributable to owners of the parent	963	1,465	1,041	767

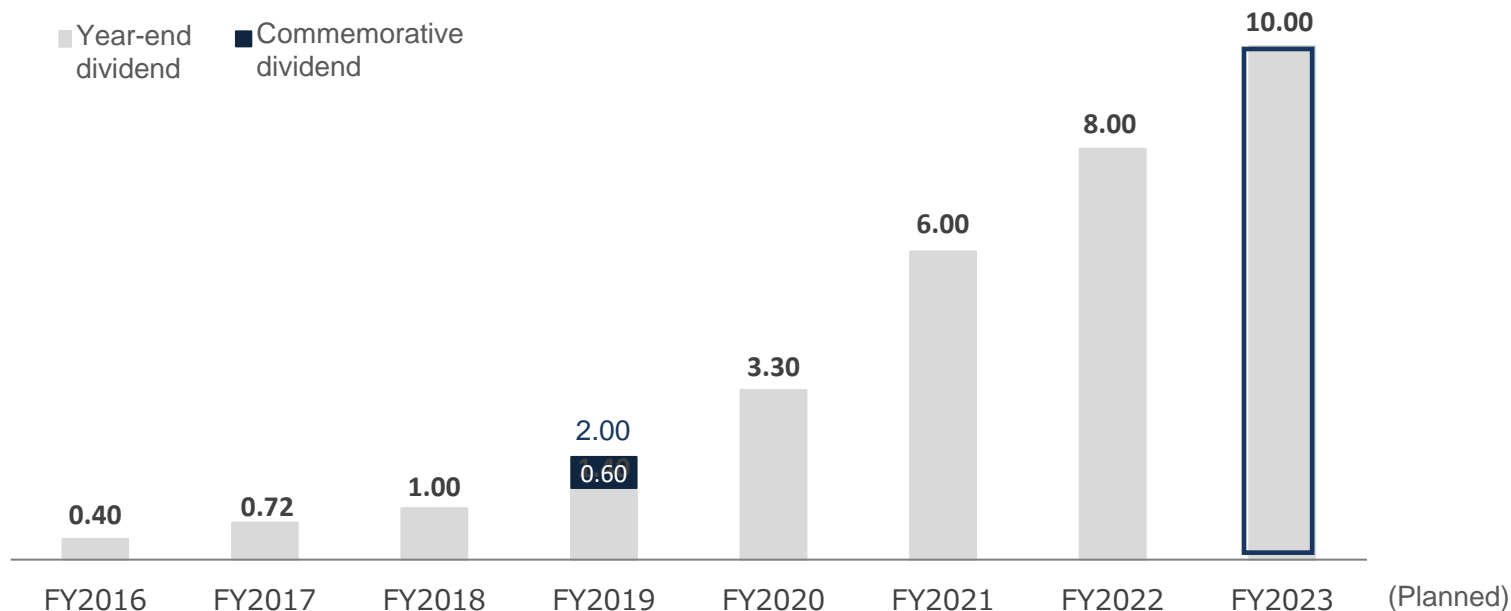
FY2023 dividend of 10 yen planned (Consolidated payout ratio of 32.5%)

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 (253 companies)

FTSE Blossom Japan Sector Relative Index (504 companies)



FTSE Blossom Japan



FTSE Blossom Japan Sector Relative Index

MSCI [US]

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

ESG Rating: A

[Included in the following index]

MSCI Japan ESG Select Leaders (250 companies)

MSCI



MSCI Japan ESG Select Leaders Index



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 provided regarding future figures or measures.

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	1,077 persons (consolidated, as of end of February 2023)	
Number of facilities	79 locations (as of end of March 2023)	

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 (38%)

■ Special Needs Employment Services

[5.76 billion yen]

- Operating rental farms for use by companies employing exclusively people with disabilities
- Employment support services (referrals for persons with disabilities)

■ Logistics Outsourcing Services [1.34 billion yen]

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

■ Employment Support Services [590 million yen]

- OMUSUBI part-time worker employment support service

■ Sales Support Services [580 million yen]

- Sales promotion support (campaigns, promotions)

■ Wide-area Administrative BPO Services [910 million yen]

- Shared BPO services for local governments, online counter business

■ Environmental Management Support Services

- CO₂ emissions calculation support, carbon credit brokering support [720 million yen]

■ New businesses

- TAKUWIL professional human resources sharing service
- Pivotta Sustena video service for learning about sustainability.
- AI Development / Big Data Analysis / Dispatch of Engineers

Human Resource Solution Segment (62%)

■ Human Resource Outsourcing Services

[16.58 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.

[Group head office] Akihabara

16 branches

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

Hokkaido
4

5 facilities

Kitami, Hirosaki, Komatsushima, Nichinan, Saito

40 farms

- 【Tokyo】 Itabashi② Katsushika
- 【Kanagawa】 Yokohama
- 【Saitama】 Saitama, Kawagoe②, Urawa, Koshigaya②, Iruma, Misato
- 【Chiba】 Chiba③, Ichikawa, Matsudo, Kashiwa③, Funabashi③, Yachiyo, Ichihara②, Mobara②
- 【Aichi】 Nagoya, Kasugai, Komaki②, Tokai, Nagakute Toyoake, Miyoshi,
- 【Osaka】 Osaka, Hirakata, Settsu, Daito

Hokuriku
2

Tohoku
5

Kanto
38

Kyushu/
Okinawa
9

Chugoku
1

Kansai
8

Chubu
9

Shikoku
3

[BPO centers] 15 facilities

Kitami, Sapporo, Mutsu, Hirosaki, Daisen, Minamisoma, Kahoku, Komatsu, Nagahama, Tanabe, Mitoyo, Kochi, Iwakuni, Iizuka, Nakatsu

[Distribution centers]

Shinagawa, Urayasu, Tsukuba

2 branches

Akihabara, Osaka