

# Results Briefing Materials

## 3Q FY2023

---

October 4, 2023

**S-Pool, Inc.**

Prime Section, Tokyo Stock Exchange  
(2471)



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

# 1. 3Q FY2023 Performance Results

3Q FY2023  
overview of  
accounts  
settlement

■ **Due to the delayed recovery in the Human Resource Solutions Segment, the transition to higher revenues and profits will be pushed back.**

Net sales **19,352** million yen (YoY -3.3%)

Operating profit **2,056** million yen (YoY -9.6%)

Net income\* **1,385** million yen (YoY -4.1%)

\* Net income attributable to owners of the parent

3Q FY2023  
overview by  
business  
segment

**[Business Solutions]** Net sales **9,082** million yen (YoY +25.4%)

All major categories in this segment achieved double-digit sales growth.

**[Human Resource Solutions]** Net sales **10,331** million yen (YoY -19.7%)

Net sales fell far short of expectations for various reasons, including the early termination of spot transactions.

■ **Progress as of 3Q has been delayed. Our goal is to make up lost ground in 4Q.**

Net sales **28,288** million yen (YoY +6.1%)

Operating profit **3,620** million yen (YoY +17.1%)

Projected dividend **10** yen (previous term: 8.0 yen)

FY2023  
performance  
forecasts

Due to the delayed recovery in the Human Resource Solutions Segment, the transition to higher revenues and profits will be pushed back.

(Unit: million yen)	FY2023 3Q results	FY2022 3Q results	YoY	YoY (%)
<b>Net sales</b>	<b>19,352</b>	<b>20,019</b>	-667	-3.3%
<b>Gross profit</b>	<b>6,626</b>	<b>6,470</b>	+155	+2.4%
Gross profit margin (%)	34.2%	32.3%		+1.9pt
<b>Selling and administrative expenses</b>	<b>4,569</b>	<b>4,195</b>	+373	+8.9%
Selling and administrative expenses/net sales (%)	23.6%	21.0%		+2.6pt
<b>Operating profit</b>	<b>2,056</b>	<b>2,274</b>	-218	-9.6%
Operating profit margin (%)	10.6%	11.4%		-0.8pt
<b>Ordinary profit</b>	<b>2,113</b>	<b>2,272</b>	-158	-7.0%
<b>Quarterly net income attributable to owners of the parent</b>	<b>1,385</b>	<b>1,444</b>	-59	-4.1%

# 3Q FY2023 Results by Segment

Upfront investments was the major factor leading to lower profit margin in the Business Solutions Segment. We minimized the decline in profit margin due to lower net sales in the Human Resource Solutions Segment by controlling SG&A expenses.

(Unit: million yen)		FY2023 3Q results	FY2022 3Q results	YoY	YoY (%)
Net sales	Business Solutions Segment	<b>9,082</b>	7,243	+1,839	+25.4%
	Human Resource Solutions Segment	<b>10,331</b>	12,873	-2,541	-19.7%
	Adjustments	<b>(61)</b>	<b>(96)</b>	+34	-36.1%
	Total	<b>19,352</b>	20,019	-667	-3.3%
Operating profit	Business Solutions Segment	<b>2,304</b>	2,053	+251	+12.3%
	Human Resource Solutions Segment	<b>992</b>	1,322	-329	-24.9%
	Adjustments	<b>(1,240)</b>	<b>(1,100)</b>	-140	+12.7%
	Total	<b>2,056</b>	2,274	-218	-9.6%
Operating profit margin	Business Solutions Segment	<b>25.4%</b>	28.3%		-2.9pt
	Human Resource Solutions Segment	<b>9.6%</b>	10.3%		-0.7pt
	Total	<b>10.6%</b>	11.4%		-0.8pt

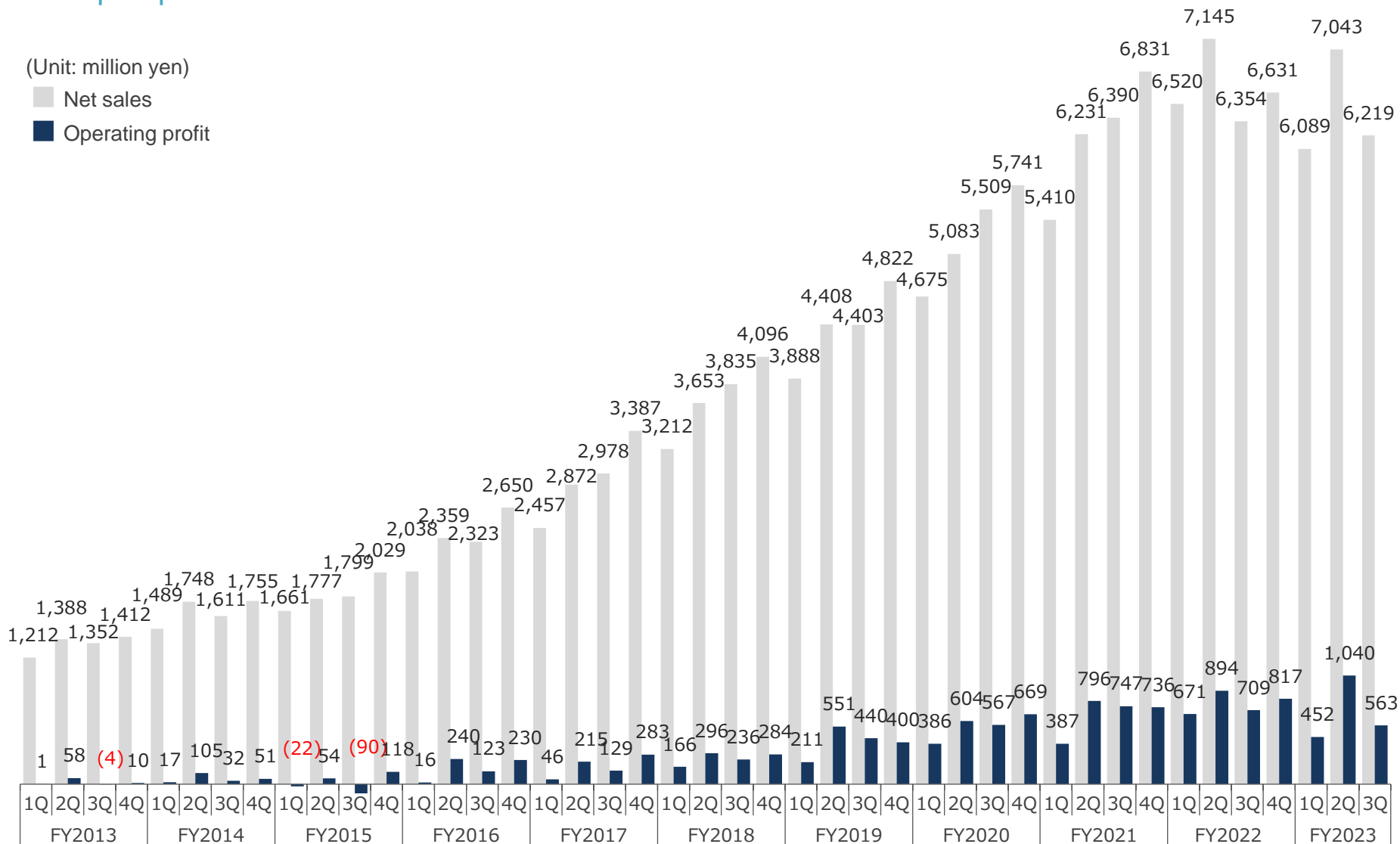
Business Solutions Segment:	Special Needs Employment Services, Logistics Outsourcing Services, Wide-area Administrative BPO Services, Environmental Management Support Services, Employment Support Services, etc.
Human Resource Solutions Segment:	Temporary Staffing Services (call centers, sales support,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

# Trends in Quarterly Business Performance

Both net sales and income in 3Q remained low due to seasonal factors, upfront investments, and postponed farm sales.

(Unit: million yen)

- Net sales
- Operating profit



## 2. 3Q FY2023 Overview by Business Segment



# Human Resource Outsourcing Services

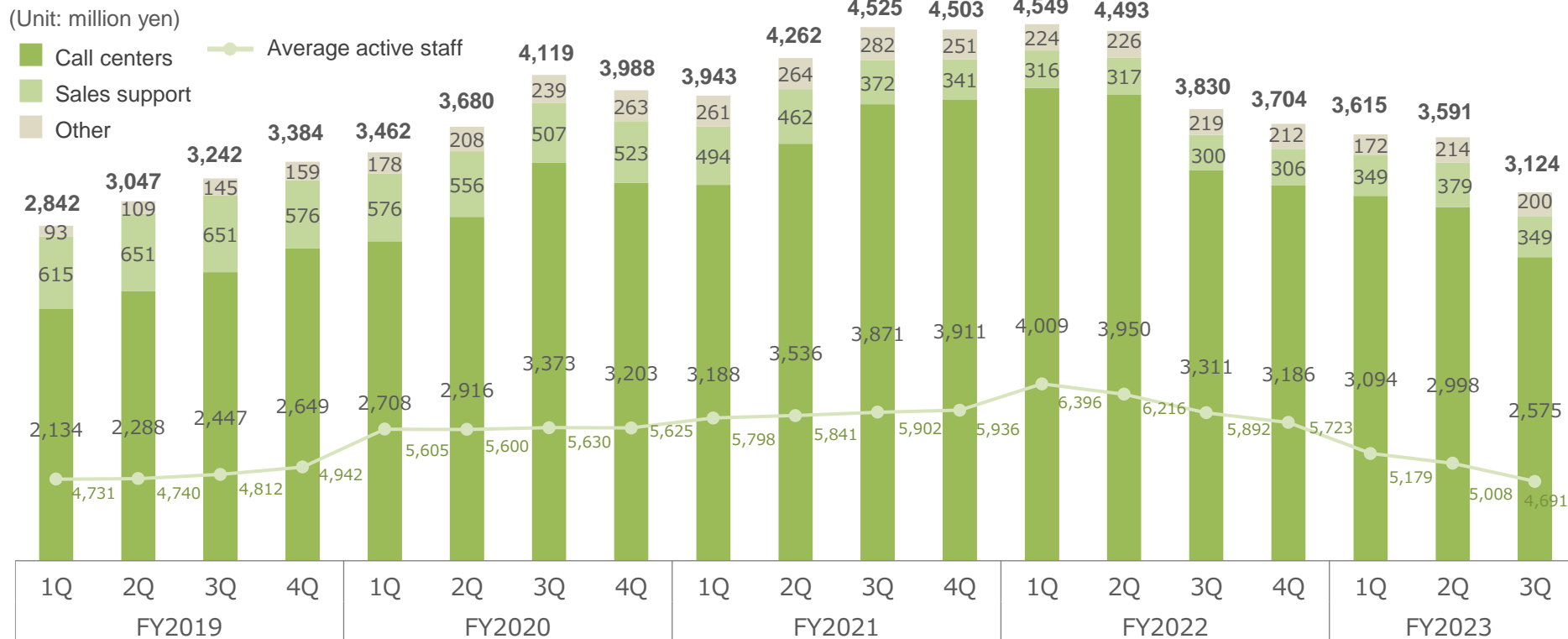
**Net sales: 10,331 million yen** (YoY -19.7%)

Sales were significantly lower than expected for various reasons, including the early termination of spot transactions associated with COVID-19.

[Call centers] 8,668 million yen (YoY -23.1%)

[Sales support] 1,078 million yen (YoY +15.4%)

- There is a lull in the completion of large projects in call center services. We see signs of a slight recovery in demand. We anticipate bottoming out in 3Q.
- While we secured transactions associated with inbound foreign tourism in sales support services, these transactions made limited contributions to net sales in 3Q.



# Special Needs Employment Services

Net sales: 4,711 million yen (YoY +19.7%)

Sales in general have been solid. However, supply has failed to keep pace with demand due to geographical imbalances in where the orders were received. They delayed transactions will be carried over to 4Q.

[Equipment sales] 3Q: 204 sections (Plan: 215-265 sections) Cumulative: 894 sections (Plan: 905-955 sections)

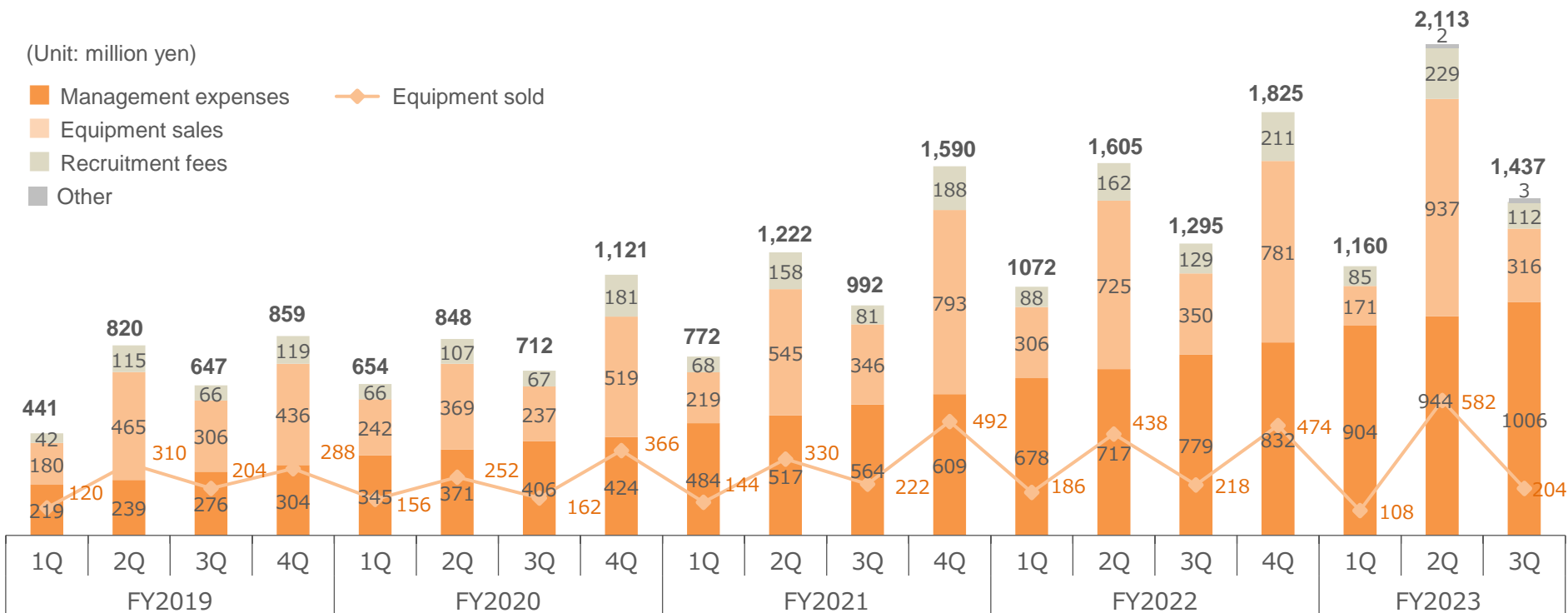
[Customers] 567 companies (New: 12 companies / Cancellations: 1 companies)

[Sections managed] 7,027 sections [Number of employees] 3,513 persons (Retention rate: 92%)

- Demand has outpaced supply in Kanto due to the concentration of orders in that region. These conditions should resolve in 4Q with the opening of new farms.
- The target of the full-year sales plan remains unchanged at 1,440 sections. We plan to sell 546 sections in 4Q.

(Unit: million yen)

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



## [Our Activities]

- Due to the differences in the approach taken by each business operator, we have decided to forgo establishing an industry association led by our company.
- We have begun developing voluntary guidelines for farm-based services.
- To promote understanding of our business, we will continue to engage in dialogue with various interested parties.
- We conducted a survey of people employed at our farms and plan to publish the results in October.

## [Survey Overview]

[Period of Survey] June 5-12, 2023      [Method] Online and paper surveys  
[Respondents] 2,166 (People surveyed: 2,884 / Response rate: 75%)

- **26% of our farm workers previously worked at regular companies.**  
Around 60% responded that they used welfare facilities and saw our farms as an opportunity to work.
- **Around 80% responded that working at our farms was their own decision.**  
Half listed “I felt the farm was a favorable working environment, with consideration given to my disability” or “I was interested in growing vegetables” as their reasons for choosing to work at our farms.
- **Around 70% responded that they felt they had grown through working at our farms.**  
In particular, they indicated that their lives and communications skills had improved.
- **Around 80% indicated that they were satisfied working at our farms and wished to stay on.**  
Many indicated they felt it rewarding to make people happy by growing vegetables.

**Net sales: 1,118 million yen** (YoY +13.3%)

We opened a new center in Nagareyama City, Chiba Prefecture. Our goal is to achieve stable operations at the center as soon as possible.

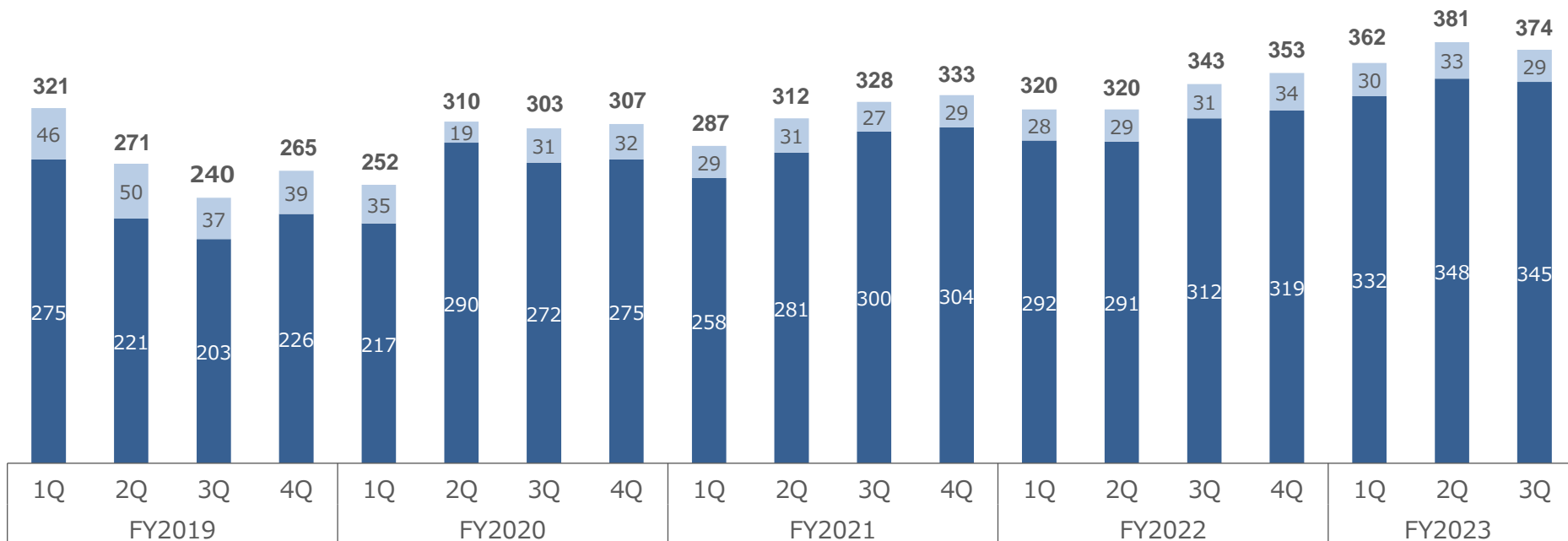
[e-Commerce shipping] 1,024 million yen (YoY +14.1%)

[Distribution center operations] 93 million yen (YoY +5.3%)

- Net sales remained flat in 3Q as the new center took longer than expected to begin operations.
- One-time expenses generated by the opening of a new center, led to an operational loss in 3Q.

(Unit: million yen)

■ e-Commerce shipping agent services  
■ Distribution center operations



Net sales: 1,019 million yen (YoY +68.5%)

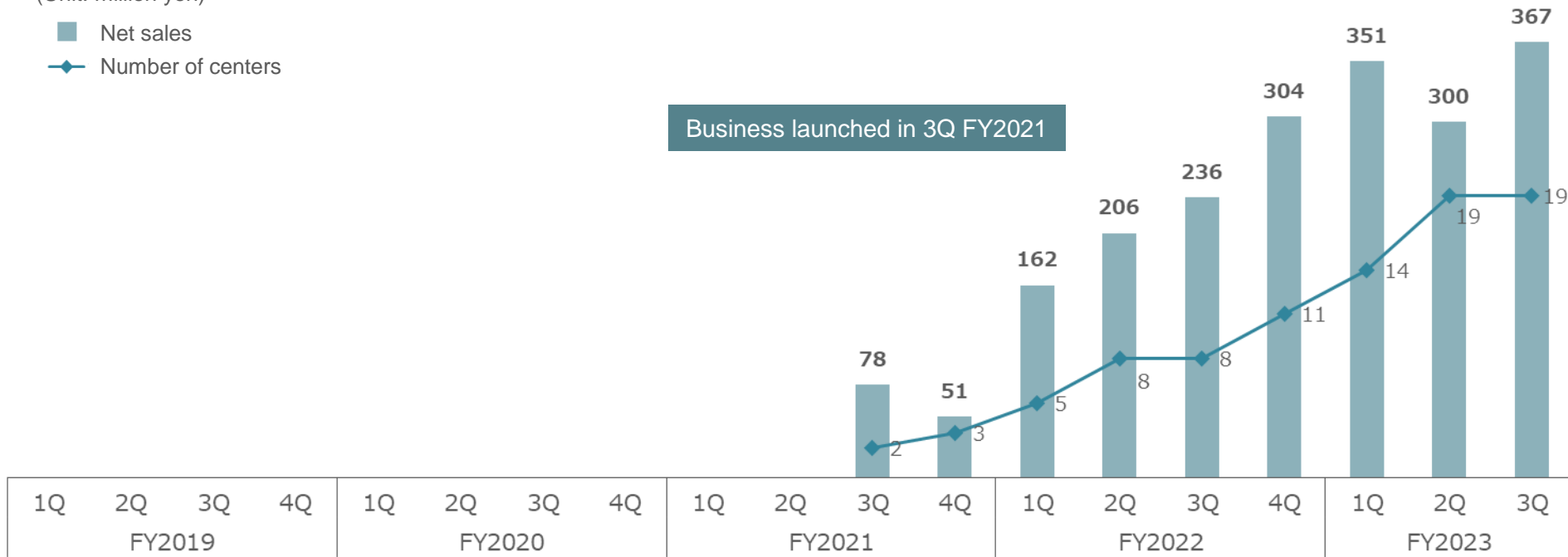
Various factors, including increased utilization rates at the new centers built in 2Q, led to steady net sales growth in 3Q.

- The number of municipalities with which we do business grew steadily. The current cumulative total is 246.
- While sales grew steadily, 3Q suffered a slight loss due to the cost of opening a new center.
- We received our first large order from an ordinance-designated city (Kobe City). Operations will start in November.

(Unit: million yen)

■ Net sales  
◆ Number of centers

Business launched in 3Q FY2021



Net sales: **874** million yen (YoY +35.1%)

The Consulting Business Segment is trending favorably, achieving most of the goals of the full-year plan as of 3Q.

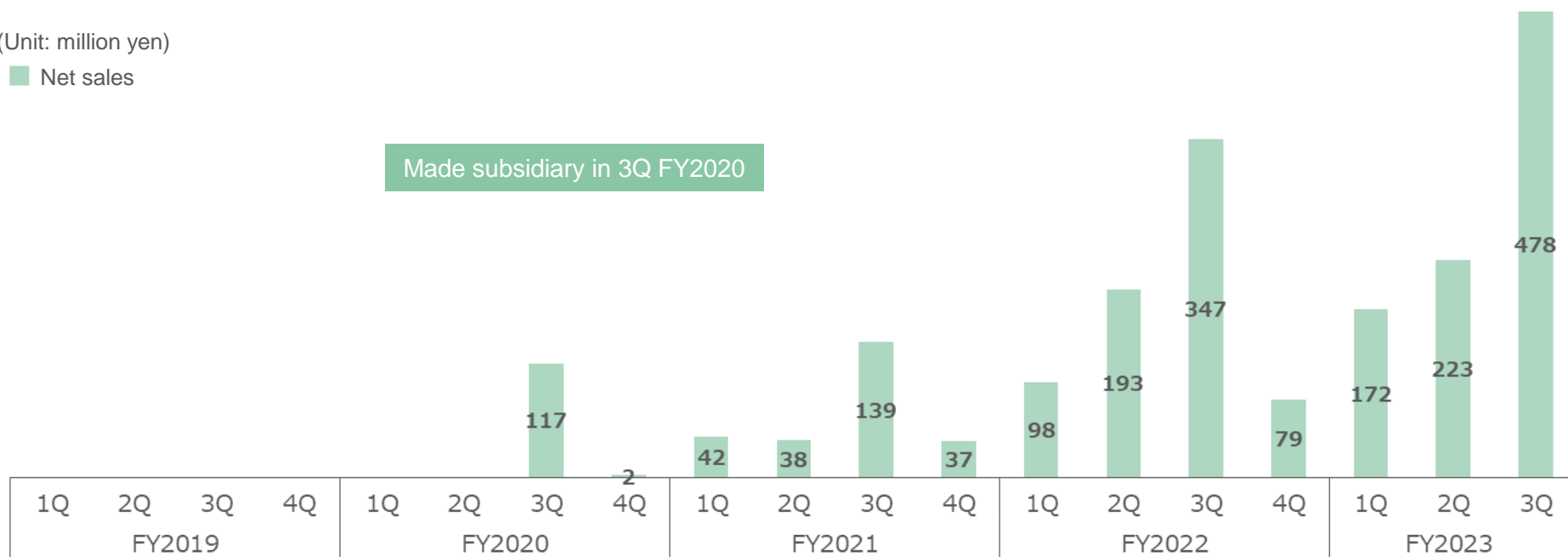
- Deliveries of consulting projects (CDP Response Assistance) were concentrated in 3Q. This resulted in a rapid increase in net sales.
- Supply chain management enhancements led to the expansion of the Scope 3 GHG Emissions Calculation business.
- In 4Q, we will focus on strengthening sales and developing new services in preparation for the next FY.

GHG: Green House Gas

Scope 1: Direct Emissions, Scope 2: Indirect Emissions, Scope 3: Other Indirect Emissions

(Unit: million yen)

■ Net sales



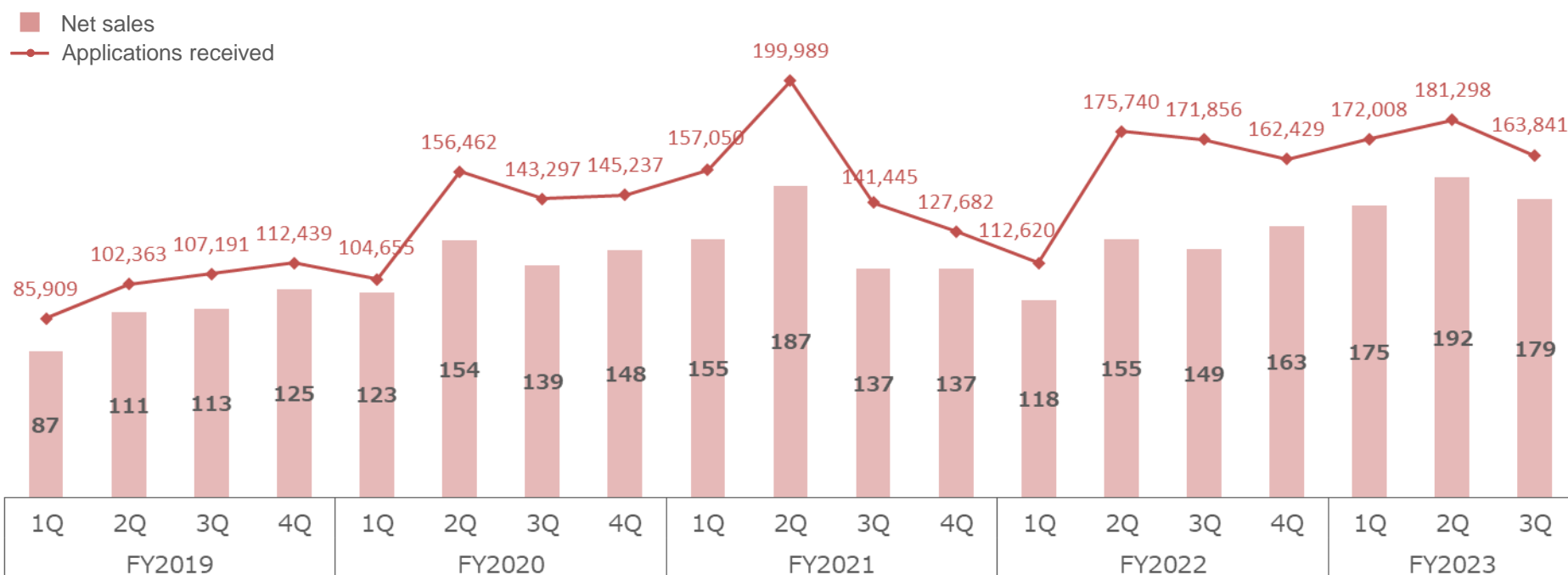
Net sales: **546** million yen (YoY +25.2%)

The recovery trend continued due to the return to normal economic activity, increasing labor shortage, and other factors.

[Applications received] 517,147 / 3Q cumulative (YoY +12.4%)

- The 3Q downturn is temporary and due to seasonality of the business.
- New sales are trending favorably. We will focus on gaining new customers to expand the business.

(Unit: million yen)



## 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 <b>41</b> billion yen, operating profit <b>5</b> 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 <b>30%</b> or better Maintaining high ROE		

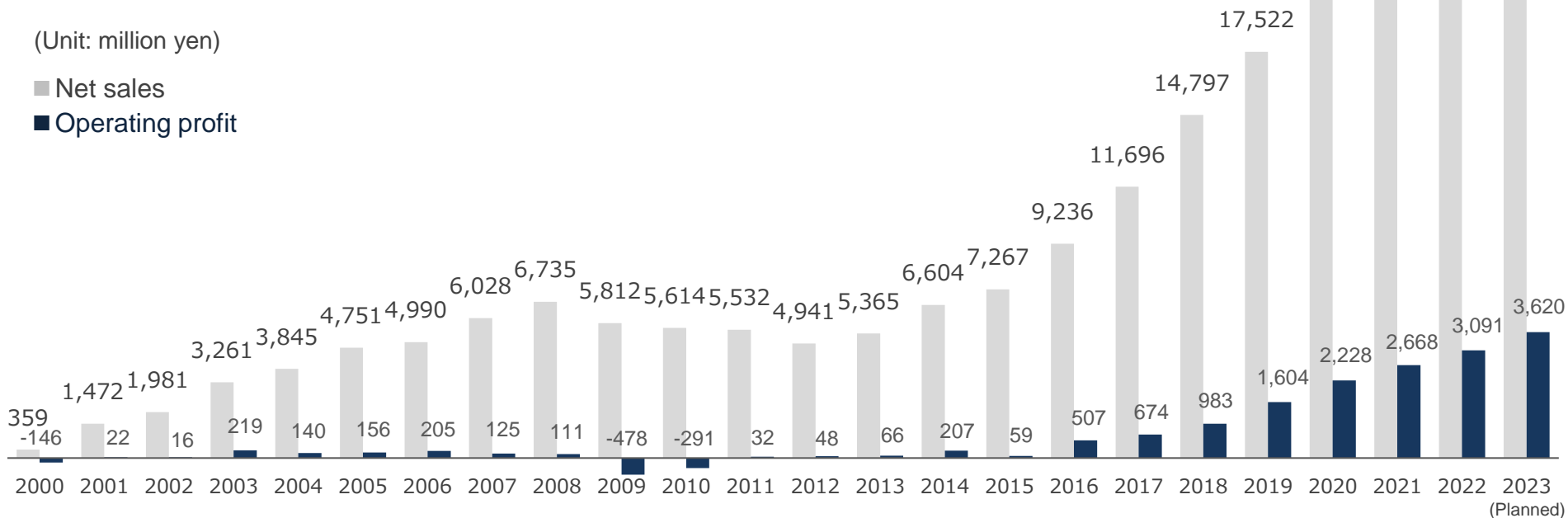
We are targeting new record highs in net sales (for the 11th consecutive year) and operating income (for the eighth consecutive year).

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

(Unit: million yen)

■ Net sales

■ Operating profit



Due to the difficulties of the Human Resource Solutions Segment, progress was delayed. We will aim for a maximal recovery in 4Q.

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

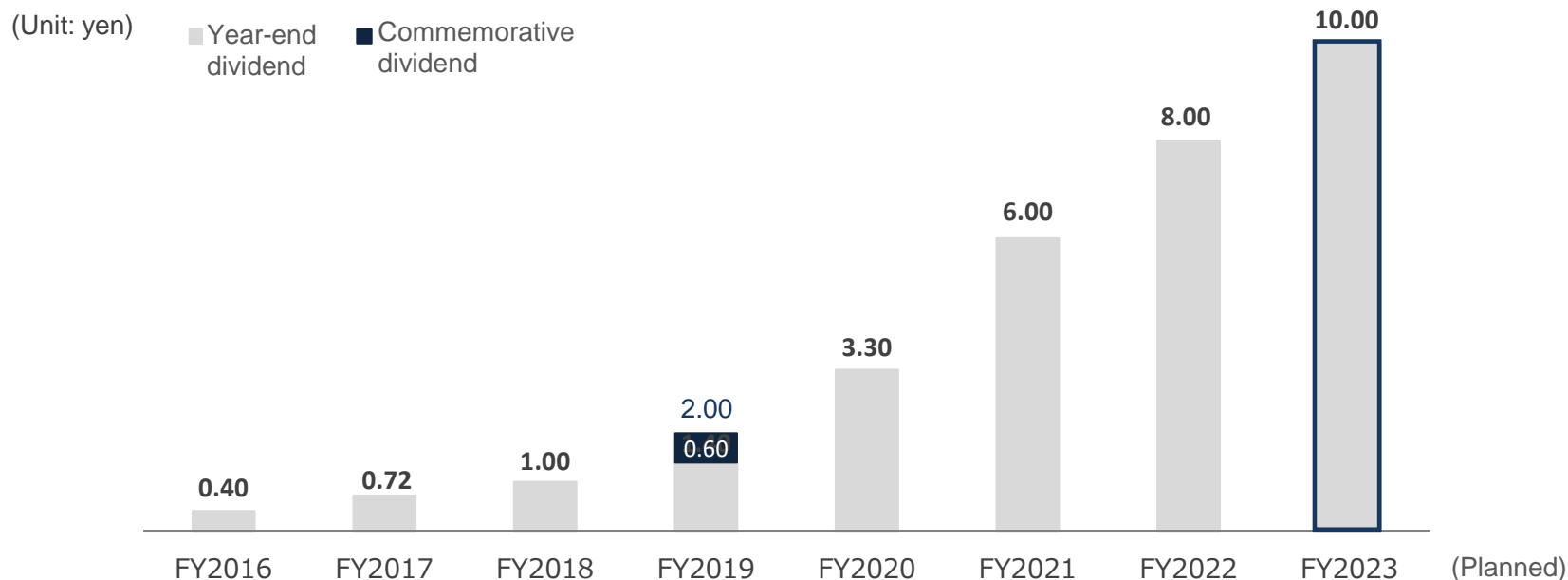
There was a large deviation from the plan in the Human Resource Solutions Segment.

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

We plan for a dividend of 10 JPY (consolidated dividend ratio: 32.5%).  
No change is anticipated to the dividend plan for this FY.

## Dividend plan



## 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 six ESG investment indices used by the GPIF is planned.

## FTSE Russell



**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

## M S C I



ESG Rating **“A”**

## C D P



Score **“B”**

(Third from the top out of 8 levels)

## SUSTAINALYTICS



ESG Risk Rating

**“Low Risk”**



S-Pool, Inc.

[Contact] Investor Relations at the President's Office

E-mail: [kouhou@spool.co.jp](mailto: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	1,172persons (consolidated, as of end of August 2023)	
Number of facilities	84 locations (as of end of August 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

- CO<sub>2</sub> 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 Network (84 facilities nationwide)

**S-POOL** [Group head office]  
Akihabara

**S-POOL Human Solutions** 15 branches

- 【Hokkaido】 Sapporo②
- 【Tohoku】 Sendai
- 【Kanto】 Shinjuku, Ikebukuro, Marunouchi, Yokohama
- 【Chukyo】 Nagoya
- 【Kinki】 Osaka②
- 【Kyushu】 Fukuoka②, Kumamoto
- 【Okinawa】 Okinawa②

**S-POOL Logistics** 2 facilities  
Shinagawa, Nagareyama

**S-POOL Link** 5 facilities  
Kitami, Hirosaki, Komatsushima, Nichinan, Saito

**S-POOL Sales Support** 2 branches  
Akihabara, Osaka

**S-POOL Plus+** 43 farms

- 【Kanto】 Itabashi②, Katsushika, Toyosu, Yokohama, Iwatsuki②, Kawagoe②, Omiya, Urawa, Koshigaya②, Iruma, Misato, Wakaba②, Hanamigawa, Ichikawa, Matsudo, Kashiwa③, Funabashi③, Yachiyo, Ichihara②, Mobarra②
- 【Chubu】 Nagoya, Kasugai, Komaki②, Tokai, Nagakute, Toyoake, Miyoshi
- 【Kinki】 Osaka, Hirakata, Settsu, Daito

**S-POOL Global** 19 facilities

- 【Hokkaido】 Kitami, Sapporo
- 【Tohoku】 Mutsu, Hirosaki, Daisen, Ofunato, Minamisoma
- 【Chubu】 Kahoku, Komatsu, Uozu
- 【Kinki】 Nagahama, Shima, Tanabe
- 【Chugoku】 Hamada, Iwakuni
- 【Shikoku】 Mitoyo
- 【Kysyu】 Iizuka, Nakatsu, Takeo

