

# Results Briefing Materials

## 1Q FY2024

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April 12, 2024

**S-Pool, Inc.**

Prime Section, Tokyo Stock Exchange (2471)



1. 1Q FY2024 Performance Results
2. 1Q FY2024 Overview by Business Segment
3. FY2024 Performance Forecasts

# 1. 1Q FY2024 Performance Results

The Company has applied International Financial Reporting Standards (IFRS) starting in FY2024.

Accordingly, figures for FY2023 have been revised from the Japanese GAAP figures released January 12, 2024 to the IFRS figures released February 29, 2024.

## Consolidated

Despite lower sales attributable to various factors, including a reactionary downturn in the Human Resource Solutions Segment, we achieved the planned targets. After a slow start, we are making various preparations to reinvigorate sales starting in 2H.

Revenue

**5,658** million yen  
(YoY change: -7.1%)

Operating profit

**25** million yen  
(YoY change: -93.3%)

Net income\*

**261** million yen  
(YoY change: +13.2%)

\* Quarterly net income attributable to owners of the parent

## Business Solutions Segment

Revenue

**2,827** million yen  
(YoY change: +13.1%)

- Sales were strong for Special Needs Employment Services. The balance of orders received has climbed sharply.
- Despite lower sales of Wide-area Administrative BPO Services, we made progress in building up projects to restore sales.
- It appears likely that the targets set for the full-year plans for Environmental Management Support Services will be achieved.

## Human Resource Solutions Segment

Revenue

**2,852** million yen  
(YoY change: -21.1%)

- Sales were down sharply due to a reactionary drop in call-center spot transactions and the effects of fewer business days.
- Temporary staffing business related to COVID-19 largely disappeared in 1Q.
- A focus on business related to inbound tourism helped halt a slump in sales for sales support.

The reactionary drop in Human Resource Outsourcing Services had a major impact on overall performance. The Business Solutions Segment suffered a sharp decline in profits and other figures due to plans for the whole year that emphasized 2H.

Quarterly profit increased due to recording of deferred tax assets.

(Unit: million yen)	FY2024 1Q results	FY2023 1Q results	YoY	YoY (%)
<b>Net sales</b>	<b>5,658</b>	<b>6,089</b>	-430	-7.1%
<b>Gross profit</b>	<b>1,655</b>	<b>1,854</b>	-198	-10.7%
Gross profit margin (%)	29.3%	33.5%	-	-1.2pt
<b>Selling and administrative expenses</b>	<b>1,627</b>	<b>1,467</b>	+159	+10.9%
Selling and administrative expenses/net sales (%)	28.8%	24.1%	-	+4.7pt
<b>Operating profit</b>	<b>25</b>	<b>384</b>	-358	-93.3%
Operating profit margin (%)	0.5%	6.3%	-	-5.8pt
<b>Pretax quarterly profit</b>	<b>(13)</b>	<b>360</b>	-373	-103.7%
<b>Quarterly profit attributable to owners of the parent</b>	<b>261</b>	<b>230</b>	+30	+13.2%

The Business Solutions Segment started off as planned.

In the Human Resource Solutions Segment, both sales and profit fell slightly short of plans.

(Unit: million yen)		FY2024 1Q results	FY2023 1Q results	YoY	YoY (%)
Revenue	Business Solutions Segment	<b>2,827</b>	2,499	+327	+13.1%
	Human Resource Solutions Segment	<b>2,852</b>	3,615	-763	-21.1%
	Adjustments	<b>(20)</b>	<b>(25)</b>	-	-
	Total	<b>5,658</b>	6,089	-430	-7.1%
Operating profit	Business Solutions Segment	<b>180</b>	451	-270	-60.1%
	Human Resource Solutions Segment	<b>256</b>	337	-80	-24.0%
	Adjustments	<b>(410)</b>	<b>(403)</b>	-	-
	Total	<b>25</b>	384	-358	-93.3%
Operating profit margin	Business Solutions Segment	<b>6.4%</b>	18.0%	-	-11.6 pt
	Human Resource Solutions Segment	<b>9.0%</b>	9.3%	-	-0.3 pt
	Total	<b>0.5%</b>	6.3%	-	-5.8 pt

Business Solutions Segment: Special Needs Employment Services, Wide-area Administrative BPO Services, Environmental Management Support Services, etc.

Human Resource Solutions Segment: Temporary Staffing Services (call centers, sales support, etc.)

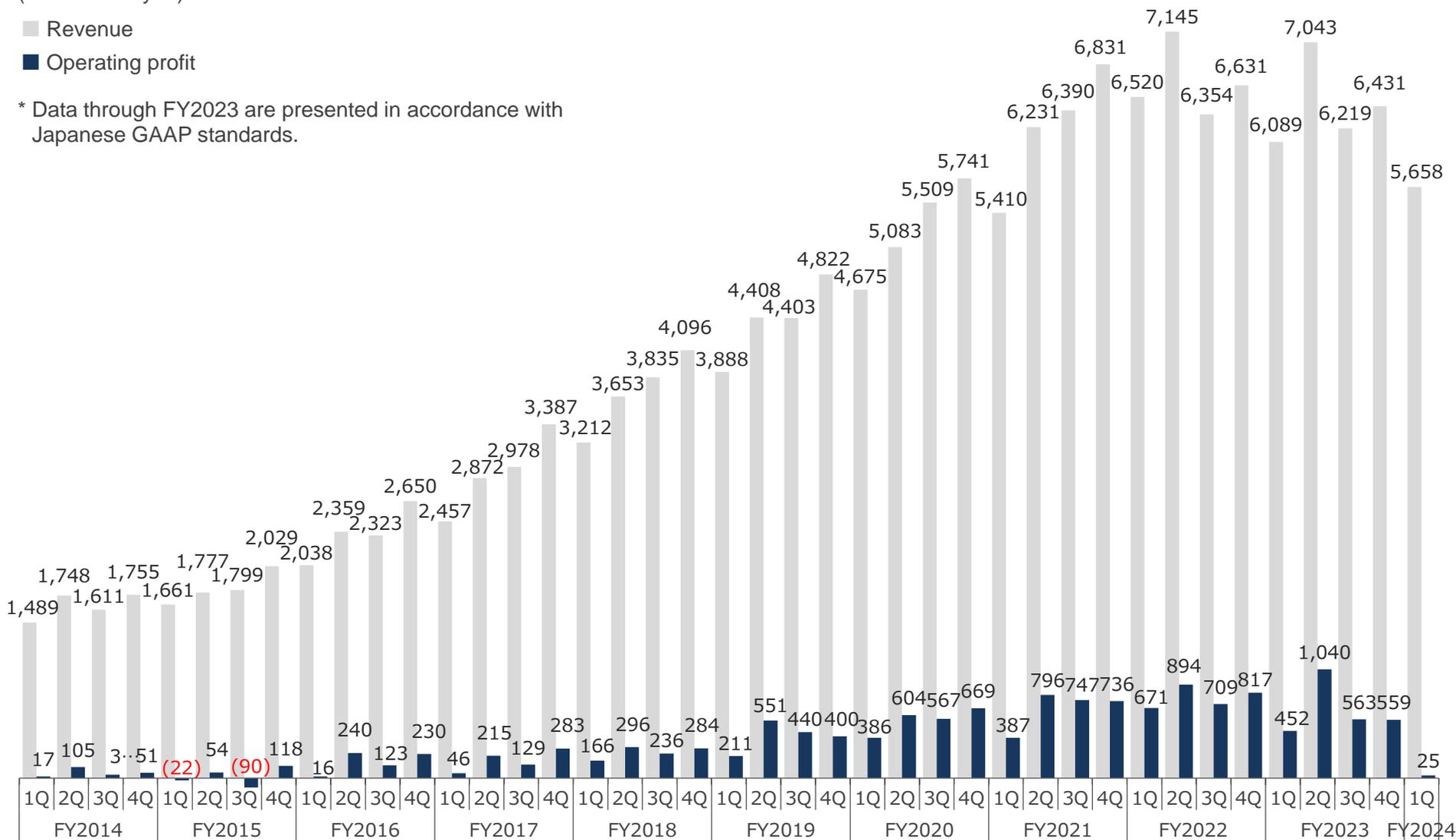
Adjustments (Operating profit): Head office costs, shared costs, other revenues and expenses, etc.

In quarterly results, both sales and profit are projected to bottom out in 1Q

(Unit: million yen)

■ Revenue  
■ Operating profit

\* Data through FY2023 are presented in accordance with Japanese GAAP standards.



## 2. 1Q FY2024 Overview by Business Segment

# Special Needs Employment Services (Business Solutions Segment)



Revenue: **1,552** million yen (YoY change +33.7%)

Sales were active in the runup to an increase in the statutory employment ratio.  
The balance of orders received reached a new record high.

[Equipment sales] 186 sections (planned: 175-225 sections)

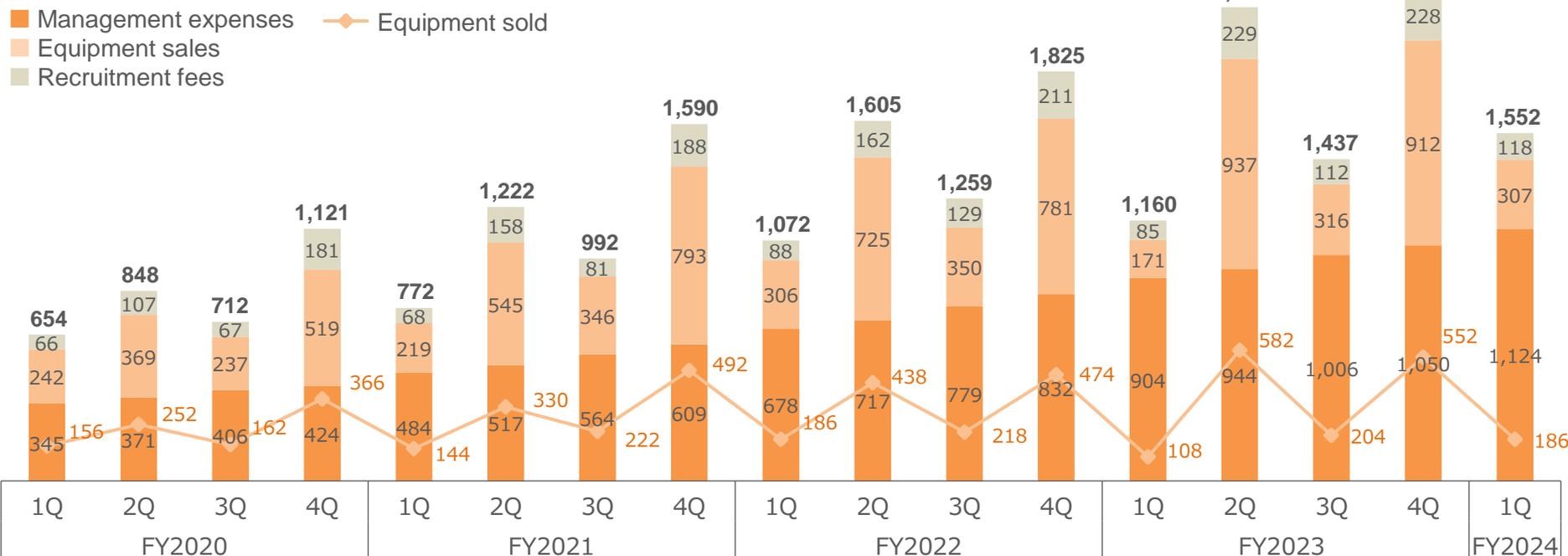
[Sections managed] 7,735 sections

[Customers] 618 companies (new: 12; cancellations: 0)

[Number of employees] 3,867 persons (Retention rate 92%)

- Final sales were as planned. Sales were strong in the runup to an increase in the statutory employment ratio. The balance of orders received reached more than 700 sections.
- Two farms opened (two outdoor). Facilities now total 48 (37 outdoor, 11 indoor).

(Unit: million yen)



# Wide-area Administrative BPO Services (Business Solutions Segment)

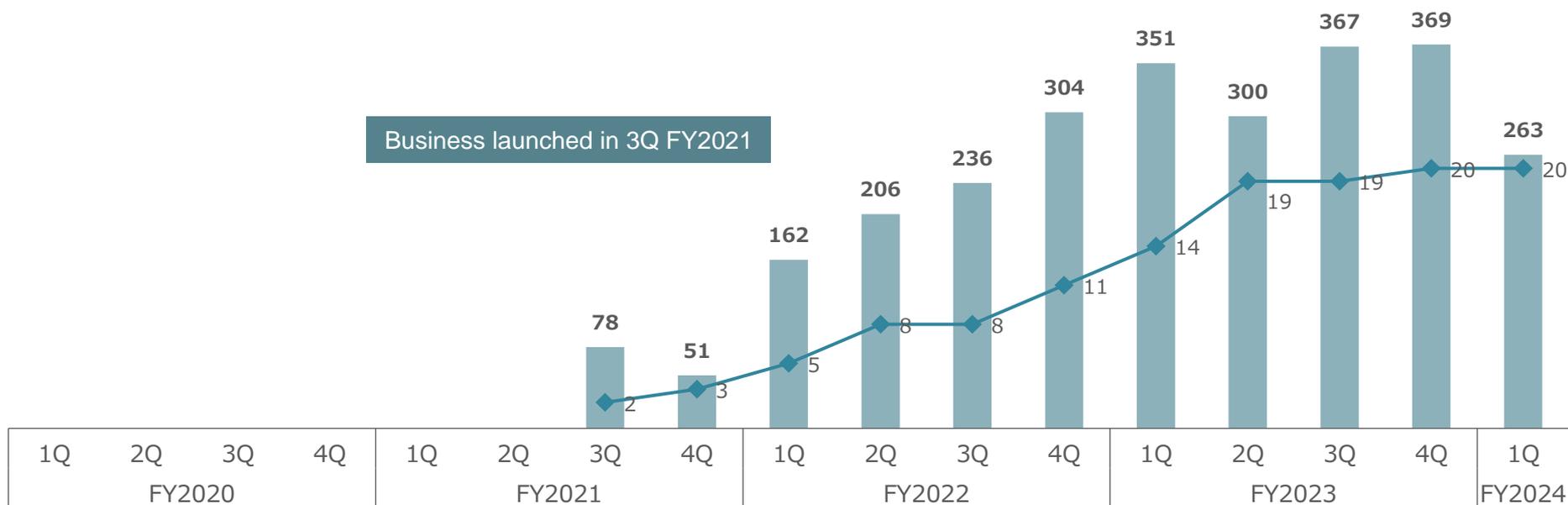
Revenue: **263** million yen (YoY change -25.2%)

Steady sales activities are underway to achieve sales recovery following a sharp decline in 1Q.

- Sales were down sharply due to the end of national projects. Progress is currently proceeding according to plan.
- Enhanced efforts to secure orders in the new fiscal year have resulted in planned projects equivalent to roughly 80% of full-year targets.
- Efforts to identify locations for new centers are being narrowed down to regions where they can be rapidly launched. We plan to open three centers in 2H.

(Unit: million yen)

■ Revenue ◆ Centers



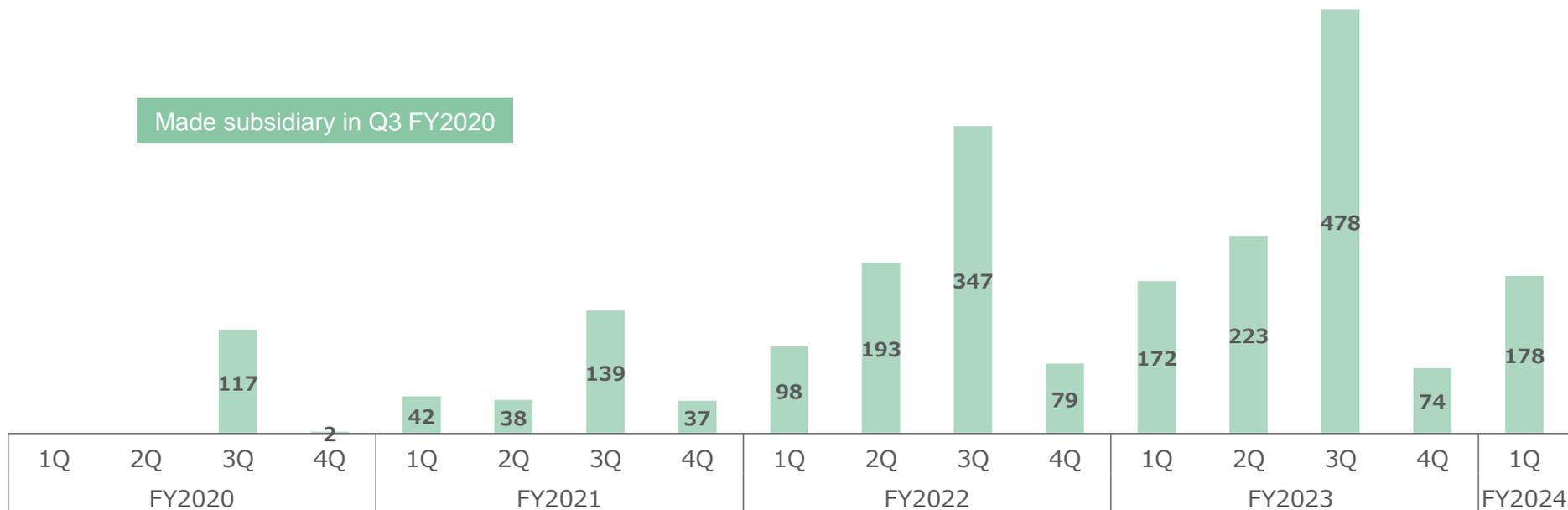
Revenue: **178** million yen (YoY change +3.1%)

The outlook for achieving full-year plans is positive.

- While 1Q growth was limited by changes in major services, we got off to a start in line with plans.
- We are making steady progress with sales, and will seek to finalize the receipt of orders needed to achieve full-year plans by the 2Q end.
- New services for local governments are also off to a strong start with orders from 20 local governments received.

(Unit: million yen)

■ Revenue



### Logistics Outsourcing Services

Revenue: **308** million yen  
(YoY change -14.9%)



- Sales were down due to the withdrawal from distribution center operations services.
- The e-commerce shipping services expect to start several new projects from 2Q.

### Employment Support Services

Revenue: **168** million yen  
(YoY change -4.2%)



- Sales remained largely unchanged YoY. This tends to be a slow time of the year.
- Thoroughgoing cost controls helped boost profits.

### Sales Support Services

Revenue: **220** million yen  
(YoY change -1.7%)



- Demand for brick-and-mortar-store promotional campaigns grew sharply thanks to the effects of post-COVID changes.
- We have built a nationwide structure of five facilities in response to growing demand, and are targeting sales of one billion yen this period.

# Human Resource Outsourcing Service (Human Resource Solutions Segment)



Revenue: **2,852 million yen** (YoY change -21.1%)

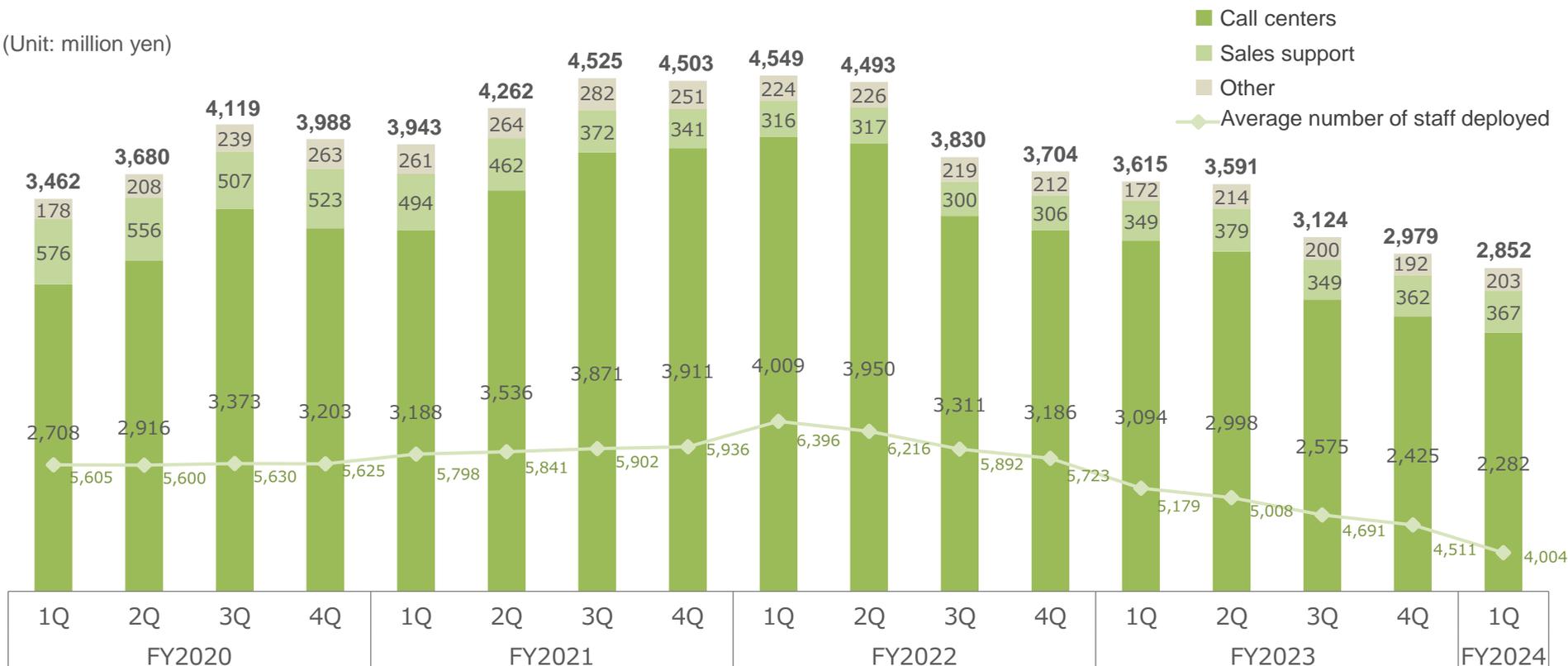
The effects of the end of spot transactions are projected to run their course. We plan to mount efforts to achieve recovery after bottoming out in 2Q.

[Call centers] 2,282 million yen (YoY change -26.2%)

[Sales support] 367 million yen (YoY change +5.0%)

- While regular transactions have begun to increase slightly, they have failed to offset the decline in spot transactions.
- Performance in the sales support business made up for the decrease in mobile-phone sales thanks to a focus on transactions related to inbound tourism.

(Unit: million yen)



## 3. FY2024 Performance Forecasts

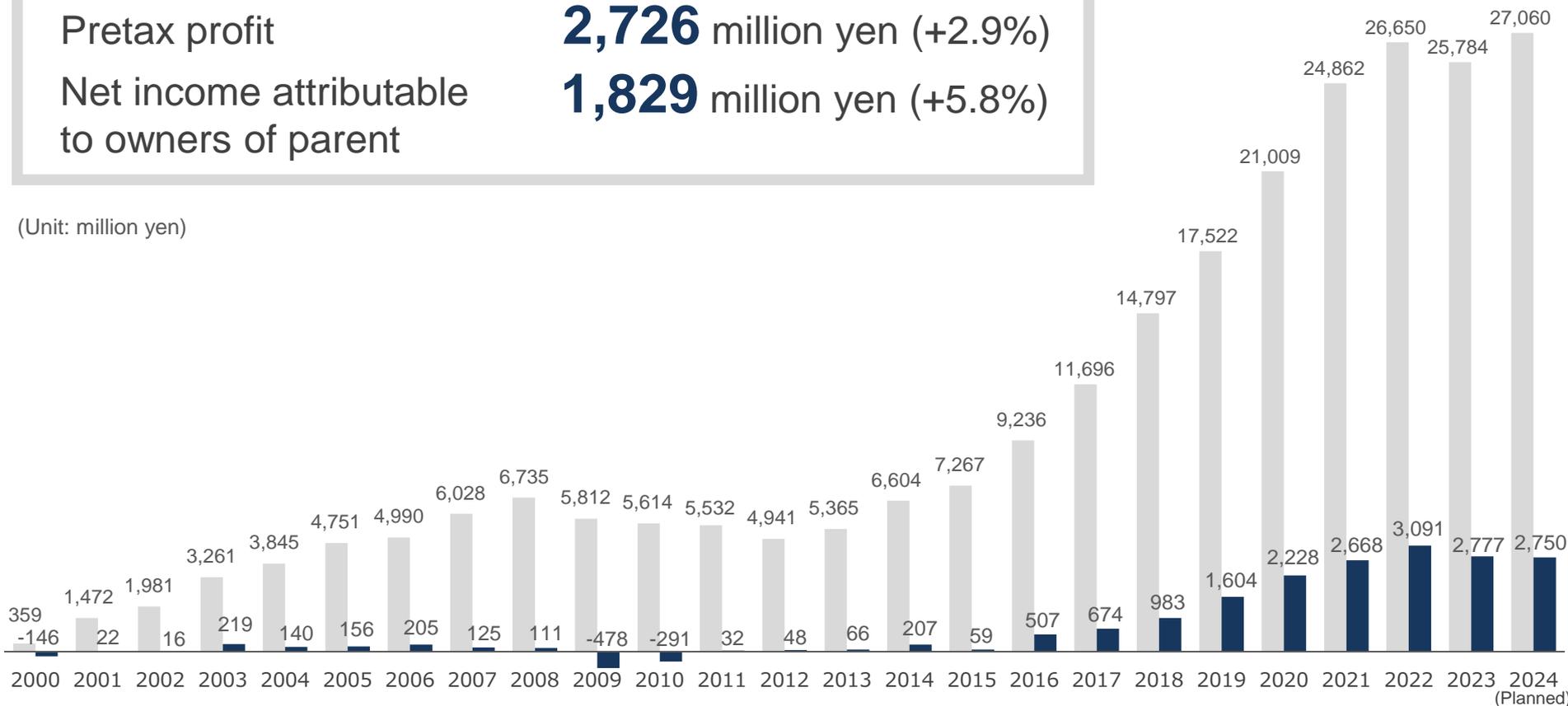
In FY2024, we will focus on building the foundations for new growth while restoring growth in sales and profits.

	(YoY change)
Revenue	<b>27,060</b> million yen (+4.9%)
Operating profit	<b>2,750</b> million yen (-1.0%)
Pretax profit	<b>2,726</b> million yen (+2.9%)
Net income attributable to owners of parent	<b>1,829</b> million yen (+5.8%)

- Revenue
- Operating profit

\* Data through FY2022 are presented in accordance with Japanese GAAP standards.

(Unit: million yen)



(Unit: million yen)	<b>FY2024 planned</b>	FY2023 results	YoY	YoY(%)
<b>Net sales</b>	<b>27,060</b>	25,784	+1,275	+4.9%
<b>Gross profit</b>	<b>9,625</b>	8,907	+717	+8.1%
Gross profit margin (%)	35.6%	34.5%	-	+1.1pt
<b>Selling and administrative expenses</b>	<b>6,875</b>	6,223	+651	+10.5%
Selling and administrative expenses/net sales (%)	25.4%	24.1%	-	+1.3pt
<b>Operating profit</b>	<b>2,750</b>	2,777	-27	-1.0%
Operating profit margin (%)	10.2%	10.8%	-	-0.6pt
<b>Pretax profit</b>	<b>2,726</b>	2,649	+76	+2.9%
<b>Net income attributable to owners of the parent</b>	<b>1,829</b>	1,730	+99	+5.7%

We project steady growth in the Business Solutions Segment.  
 Our goal in the Human Resource Solutions segment is to minimize any declines in sales and profits and to restore sales and profits.

(Unit: million yen)		FY2024 planned	FY2023 results	YoY	YoY
Net sales	Business Solutions Segment	<b>15,023</b>	12,555	+2,467	+19.6%
	Human Resource Solutions Segment	<b>12,325</b>	13,310	-985	-7.4%
	Adjustments	<b>(288)</b>	<b>(82)</b>	-	-
	Total	<b>27,060</b>	25,784	+1,275	+4.9%
Operating profit	Business Solutions Segment	<b>3,497</b>	3,040	+456	+15.0%
	Human Resource Solutions Segment	<b>1,120</b>	1,265	-145	-11.5%
	Adjustments	<b>(1,867)</b>	<b>(1,529)</b>	-	-
	Total	<b>2,750</b>	2,777	-27	-1.0%
Operating profit margin	Business Solutions Segment	<b>23.3%</b>	24.2%	-	-0.9pt
	Human Resource Solutions Segment	<b>9.1%</b>	9.5%	-	-0.4pt
	Total	<b>10.2%</b>	10.8%	-	-0.6pt

Business Solutions Segment:	Special Needs Employment Services, Wide-area Administrative BPO Services, Environmental Management Support Services, etc.
Human Resource Solutions Segment:	Temporary Staffing Services (call centers, sales support, etc.)
Adjustments (Operating profit):	Head office costs, shared costs, other revenues and expenses, etc.

Plans focus on 2H for the following reasons:

- Human Resource Outsourcing Services are projected to recover starting in 2H.
- Plans focus on 2H for Wide-area Administrative BPO Services and Environmental Management Support Services.

Progress in 1H was in line with plan. Steady progress in preparations for the 2H.

(Unit: million yen)	FY2024 planned	
	1H	2H
<b>Net sales</b>	<b>12,487</b>	<b>14,572</b>
<b>Gross profit</b>	<b>3,954</b>	<b>5,671</b>
Gross profit margin (%)	31.7%	38.9%
<b>Selling and administrative expenses</b>	<b>3,411</b>	<b>3,463</b>
Selling and administrative expenses/ net sales (%)	27.3%	23.8%
<b>Operating profit</b>	<b>542</b>	<b>2,207</b>
Operating profit margin (%)	4.3%	15.1%
<b>Pretax profit</b>	<b>530</b>	<b>2,195</b>
<b>Net income attributable to owners of the parent</b>	<b>376</b>	<b>1,453</b>

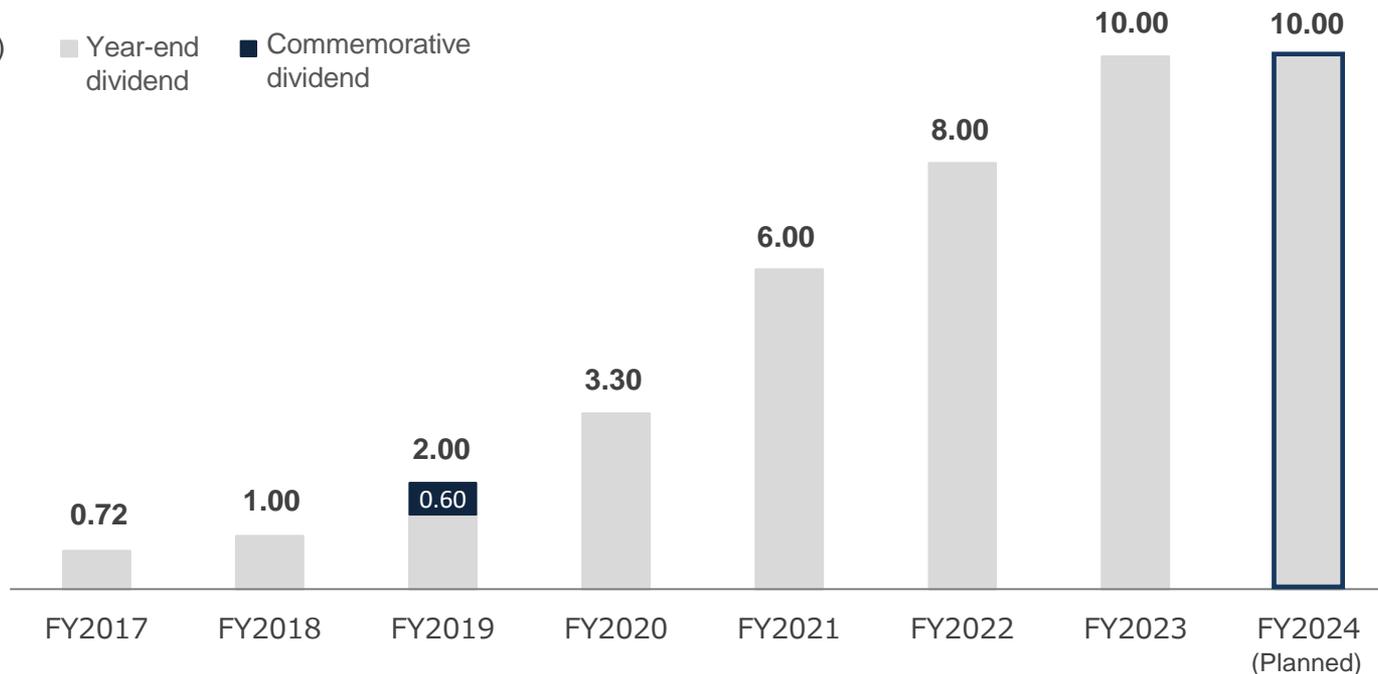
FY2024 dividend of 10 yen planned (Consolidated payout ratio of 43.2%)

## Dividend plan

(Unit: yen)

■ Year-end dividend

■ Commemorative dividend



## Dividend policy

**Consolidated payout ratio of 30% or higher**

(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.)

Selected to three of the six ESG investment indices used by the GPIF.

FTSE Russell



ESG Rating: **3.8**

(roughly corresponding to the top 20%)

[Included in the following indices]

FTSE Blossom Japan Index (311 companies)

FTSE Blossom Japan Sector Relative Index (600 companies)



FTSE Blossom Japan Sector Relative Index

M S C I

MSCI ESG RATINGS



CCC B BB BBB A AA AAA

ESG Rating: **A**

C D P



Score: **A-**  
(Second highest of eight levels)

SUSTAINALYTICS

Rated



MORNINGSTAR | 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 (consolidated, as of end of November 2023)	
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	1,139 persons (consolidated, as of end of February 2024)	
Number of facilities	88 locations (as of April 1, 2024)	

Parent company	<p>[Business holding company and new business development]  <b>S-Pool, Inc.</b></p>	
Group member companies	<p>[Human Resource Outsourcing Services (staffing, referral)]  <b>S-Pool Human Solutions, Inc.</b></p>	
	<p>[Special Needs Employment Services]  <b>S-Pool Plus, Inc.</b></p>	
	<p>[Logistics Outsourcing Services]  <b>S-Pool Logistics, Inc.</b></p>	
	<p>[Sales Support Services]  <b>S-Pool Sales Support, Inc.</b></p>	
	<p>[Employment Support Services]  <b>S-Pool Link, Inc.</b></p>	
	<p>[Wide-area Administrative BPO Services]  <b>S-Pool Glocal, Inc.</b></p>	
	<p>[Environmental Management Support Services]  <b>S-Pool Blue Dot Green, Inc.</b></p>	

## Business Solutions Segment (48.5%)

### ■ Special Needs Employment Services

[6.9 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 [1.47 billion yen]

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

### ■ Employment Support Services [710 million yen]

- OMUSUBI part-time worker employment support service

### ■ Sales Support Services [800 million yen]

- Sales promotion support (campaigns, promotions)

### ■ Wide-area Administrative BPO Services

[1.38 billion 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 [940 million yen]
- Decarbonization support services for local governments

### ■ New businesses

- TAKUWIL professional human resources sharing service
- PivottA Sustena video service for learning about sustainability.
- AI Development / Big Data Analysis / Web system development

## Human Resource Solution Segment (51.5%)

### ■ Human Resource Outsourcing Services

[13.31 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 FY2023 results.



Akihabara (Group head office),  
Sapporo Tech Center



[Hokkaido] Sapporo Odori  
[Tohoku] Sendai  
[Kanto] Shinjuku, Ikebukuro  
[Chubu] Nagoya  
[Kinki] Umeda  
[Kyushu] Hakata Ekimae, Kumamoto  
[Okinawa] Naha



[Distribution centers]

Shinagawa Center, Nagareyama Center



[Data-entry centers]

Kitami, Hirosaki, Komatsushima,  
Nichinan, Saito



Sapporo, Akihabara, Tokai, Osaka,  
Kyushu



Akihabara



[Work Happiness Farms] 48 farms

[Kanto] Itabashi ①②, Katsushika, Toyosu, Yokohama, Iwatsuki ①②,  
Kawagoe ①②③, Omiya, Koshigaya ①②, Urawa, Iruma, Misato,  
Wakaba ①②, Hanamigawa, Ichikawa, Matsudo, Kashiwa ①②③,  
Funabashi ①②③, Yachiyo, Ichihara ①②, Mobara ①②, Noda, Inzai  
[Chubu] Nagoya ①②, Kasugai, Komaki ①②, Tokai, Nagakute, Toyoake,  
Miyoshi  
[Kinki] Osaka, Hirakata, Settsu, Daito, Higashi-Osaka



[BPO centers] 20 facilities

[Hokkaido] Kitami, Sapporo  
[Tohoku] Mutsu, Hirosaki, Daisen, Ofunato,  
Minamisoma  
[Chubu] Kahoku, Komatsu, Uozu  
[Kinki] Nagahama, Shima, Tanabe, Kobe  
[Chugoku] Hamada, Iwakuni  
[Shikoku] Mitoyo  
[Kyushu] Iizuka, Nakatsu, Takeo

