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Summary of Consolidated Financial Results for the Six Months Ended March 31, 2024 (Based on Japanese GAAP)

May 15, 2024

Company name: CAREER Co., LTD. Stock exchange: Tokyo
 Stock code: 6198 URL: <https://www.careergift.co.jp/>
 Representative: Ichiro Kawashima, Chairman & President
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 Scheduled date to file quarterly securities report: May 15, 2024
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(All amounts are rounded down to the nearest millions of yen)

1. Consolidated financial results for the six months ended March 31, 2023 (from October 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
March 31, 2024	8,359	(12.0)	192	(53.0)	172	(58.3)	82	(68.5)
March 31, 2023	9,497	24.5	408	58.6	414	58.3	263	74.6

Note: Comprehensive income For the six months ended March 31, 2024: 95 million yen [(64.6%)]
 For the six months ended March 31, 2023: 269 million yen [59.6%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
March 31, 2024	9.75	9.75
March 31, 2023	30.94	30.94

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
March 31, 2024	4,912	2,118	39.9
September 30, 2023	5,106	2,034	36.8

Reference: Shareholders' equity As of March 31, 2024: 1,961 million yen
 As of September 30, 2023: 1,878 million yen

2. Dividends

	Dividends per share									
	1Q-end		2Q-end		3Q-end		Year-end		Total	
	Yen		Yen		Yen		Yen		Yen	
Fiscal year ended										
September 30, 2023	-		0.00		-		0.00		0.00	
September 30, 2024	-									
Fiscal Year 2024 (forecast)	-		0.00		-		0.00		0.00	

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated forecast for Fiscal Year 2024 (from October 1, 2023 to September 30, 2024)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	19,500	9.6	450	(26.1)	450	(25.4)	170	(55.1)	19.99

Note: Revisions to the earnings forecasts most recently announced: None

4. Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: None

Changes in accounting policies due to other reasons: None

Changes in accounting estimates: None

Restatement of prior period financial statements: None

(4) Number of issued shares (ordinary shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	8,624,320 shares	As of September 30, 2023	8,624,320 shares
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(ii) Number of treasury shares at the end of the period

As of March 31, 2024	118,600 shares	As of September 30, 2023	118,600 shares
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(iii) Average number of shares during the period

Six months ended March 31, 2024	8,505,720 shares	March 31, 2023	8,505,720 shares
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* Financial results reports are exempt from audits conducted by certified public accountants or an audit corporation.

* Explanation of the proper use of financial results forecasts and other notes

The financial results forecasts are based on information available as of the announcement date of this document and assumptions as of the same date concerning uncertain factors that may affect future performance. Actual results may differ significantly from these forecasts due to various factors.

Quarterly consolidated financial statements

Quarterly consolidated balance sheet

(Thousands of yen)

	As of September 30, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	2,745,680	2,524,311
Accounts receivable - trade	1,621,942	1,668,034
Other	105,989	141,253
Allowance for doubtful accounts	(1,872)	(2,280)
Total current assets	4,471,740	4,331,319
Non-current assets		
Property, plant and equipment	296,595	282,750
Intangible assets	48,661	43,178
Investments and other assets	289,947	255,217
Total non-current assets	635,204	581,146
Total assets	5,106,944	4,912,466

(Thousands of yen)

	As of September 30, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Short-term borrowings	1,000,000	800,000
Accrued expenses	1,129,307	1,143,162
Income taxes payable	143,358	81,680
Accrued consumption taxes	405,226	215,484
Refund liabilities	730	550
Other	253,457	398,837
Total current liabilities	2,932,081	2,639,705
Non-current liabilities		
Asset retirement obligations	140,710	139,727
Deferred tax liabilities	-	14,791
Total non-current liabilities	140,710	154,518
Total liabilities	3,072,791	„794,116
Net assets		
Shareholders' equity		
Share capital	157,590	157,590
Capital surplus	137,590	137,590
Retained earnings	1,736,022	1,818,986
Treasury shares	(152,306)	(152,306)
Total shareholders' equity	1,878,896	1,961,860
Share acquisition rights	46,298	34,971
Non-controlling interests	108,958	121,518
Total net assets	2,034,153	2,118,350
Total liabilities and net assets	5,106,944	4,912,466

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Thousands of yen)

	The six months ended March 31, 2023	The six months ended March 31, 2024
Net sales	9,497,874	8,359,164
Cost of sales	7,425,740	6,518,583
Gross profit	2,072,133	1,840,581
Selling, general and administrative expenses	1,663,616	1,648,392
Operating profit	408,517	192,188
Non-operating income		
Interest income	9	289
Subsidy income	14,755	4,045
Other	1,278	70
Total non-operating income	16,043	4,405
Non-operating expenses		
Interest expenses	2,646	2,105
Share of loss of entities accounted for using equity method	5,498	21,549
Other	1,624	1
Total non-operating expenses	9,770	23,656
Ordinary profit	414,700	172,937
Extraordinary income		
Gain on reversal of share acquisition rights	21,610	15,724
Total extraordinary income	21,610	15,724
Extraordinary losses		
Interest expenses	2,646	2,105
Total extraordinary losses	5,256	-
Profit before income taxes	431,144	188,662
Income taxes - current	152,932	71,903
Income taxes - deferred	8,375	21,234
Total income taxes	161,308	93,138
Profit	269,836	95,524
Profit attributable to non-controlling interests	6,654	12,559
Profit attributable to owners of parent	263,182	82,964

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Thousands of yen)

	The six months ended March 31, 2023	The six months ended March 31, 2024
Profit	269,836	95,524
Comprehensive income	269,836	95,524
Comprehensive income attributable to		
Owners of parent	263,182	82,964
Non-controlling interests	6,654	12,559

Consolidated statement of cash flows

(Thousands of yen)

	The six months ended March 31, 2023	The six months ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	431,144	188,662
Depreciation	26,884	26,539
Loss on retirement of non-current assets	5,010	-
Share of loss (profit) of entities accounted for using equity method	5,498	21,549
Share-based payment expenses	10,650	4,397
Gain on reversal of share acquisition rights	(21,610)	(15,724)
Increase (decrease) in allowance for doubtful accounts	(2,572)	1,886
Increase (decrease) in provision for bonuses	(58,335)	-
Increase (decrease) in refund liabilities	(8)	(180)
Interest and dividend income	(9)	(289)
Interest expenses	2,646	2,105
Decrease (increase) in trade receivables	101,197	(46,092)
Increase (decrease) in accrued expenses	17,104	13,845
Increase (decrease) in accrued consumption taxes	3,599	(189,741)
Other	(134,708)	109,695
Subtotal	386,492	116,653
Interest and dividends received	9	289
Interest paid	(2,646)	(2,105)
Income taxes paid	(50,388)	(126,568)
Cash flows from operating activities	333,466	(11,730)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,657)	(6,000)
Purchase of intangible assets	(7,281)	(4,070)
Payments for asset retirement obligations	(2,233)	(2,689)
Short-term loan advances	(370)	(984)
Proceeds from collection of short-term loans receivable	260	418
Proceeds from refund of guarantee deposits	17,150	5,293
Payments of guarantee deposits	(2,600)	(1,605)
Purchase of shares of subsidiaries and associates	(48,000)	-
Proceeds from collection of long-term loans receivable	180	-
Cash flows from investing activities	(45,551)	(9,637)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	-	(200,000)
Repayments of long-term borrowings	(5,835)	-
Dividends paid	(0)	-
Cash flows from financing activities	(5,835)	(200,000)
Net increase (decrease) in cash and cash equivalents	282,080	(221,368)
Cash and cash equivalents at the beginning of the period	2,228,724	2,745,680
Cash and cash equivalents at the end of the period	2,510,804	2,524,311