Results Briefing Materials
3Q FY2024

October 11, 2024

S-Pool, Inc.

Prime Section, Tokyo Stock Exchange (2471)

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

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1. 3Q 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.

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Consolidated

Despite lower sales and profit YoY, results were in line with the plan, mainly with regard to profits.
We are making various preparations for 4Q, in which sales will concentrate.

Revenue	Operating profit	Net income*
18,179 million yen	**1,279** million yen	**1,047** million yen
(YoY change: -6.1%)	(YoY change: -39.1%)	(YoY change: -21.0%)

* Quarterly net income attributable to owners of the parent

Business Solutions Segment

Revenue
10,164 million yen
(YoY change: +11.9%)

- Special Needs Employment Services maintained strong performance. Orders and sales continue to grow during the slow season.
- Wide-area Administrative BPO Services saw significant sales growth due to the start of national projects.
  Record-high quarterly sales have been achieved.
- Environmental Management Support Services are making good progress towards the full-year plan targets.

Human Resource Solutions Segment

Revenue
8,073 million yen
(YoY change: -21.9%)

- Due to the loss of business related to COVID-19, both sales and profit continued to drop significantly.
- Demand for temporary staffing service for call center is showing signs of slight recovery.
  We plan to mount efforts to achieve recovery after bottoming out in 4Q.
- We have launched a temporary staffing service for construction engineers.

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3Q FY2024 Financial Results (YoY change)

Sales dropped due to a decline in sales of Human Resource Outsourcing Services.
Operating profits decreased because, in addition to the reasons given above, most sales of Environmental Management Support Services are usually generated in 4Q.
The results, profits in particular, are proceeding according to plan.

(Unit: million yen)	**FY2024 3Q results**	FY2023 3Q results	YoY	YoY (%)
Revenue	**18,179**	**19,352**	-1,172	-6.1%
Gross profit	**6,183**	**6,664**	-480	-7.2%
Gross profit margin (%)	34.0%	34.4%	-	-0.4 pt
Selling and administrative expenses	**4,921**	**4,634**	+287	+6.2%
Selling and administrative expenses/net sales (%)	27.1%	23.9%	-	+3.2 pt
Operating profit	**1,279**	**2,101**	-822	-39.1%
Operating profit margin (%)	7.0%	10.9%	-	-3.9 pt
Pretax quarterly profit	**1,128**	**2,013**	-885	-44.0%
Quarterly profit attributable to owners of the parent	**1,047**	**1,325**	-278	-21.0%

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3Q FY2024 Results by Segment (YoY change)

The Human Resource Solutions Segment saw a significant decline in both sales and profit due to the loss of business related to COVID-19.
In the Business Solutions Segment, sales and profits increased for the full year due to growth in 4Q.

(Unit: million yen)		FY2024 3Q results	FY2023 3Q results	YoY	YoY (%)
Revenue	Business Solutions Segment	**10,164**	9,082	+1,081	+11.9%
	Human Resource Solutions Segment	**8,073**	10,331	-2,258	-21.9%
	Adjustments	(57)	(61)	-	-
	Total	**18,179**	19,352	-1,172	-6.1%
Operating profit	Business Solutions Segment	**1,963**	2,341	-377	-16.1%
	Human Resource Solutions Segment	**631**	929	-298	-32.1%
	Adjustments	(1,315)	(1,169)	-	-
	Total	**1,279**	2,101	-822	-39.1%
Operating profit margin	Business Solutions Segment	**19.3%**	25.8%	-	-6.5pt
	Human Resource Solutions Segment	**7.8%**	9.0%	-	-1.2pt
	Total	**7.0%**	10.9%	-	-3.9pt

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 expenses, and other revenues and expenses

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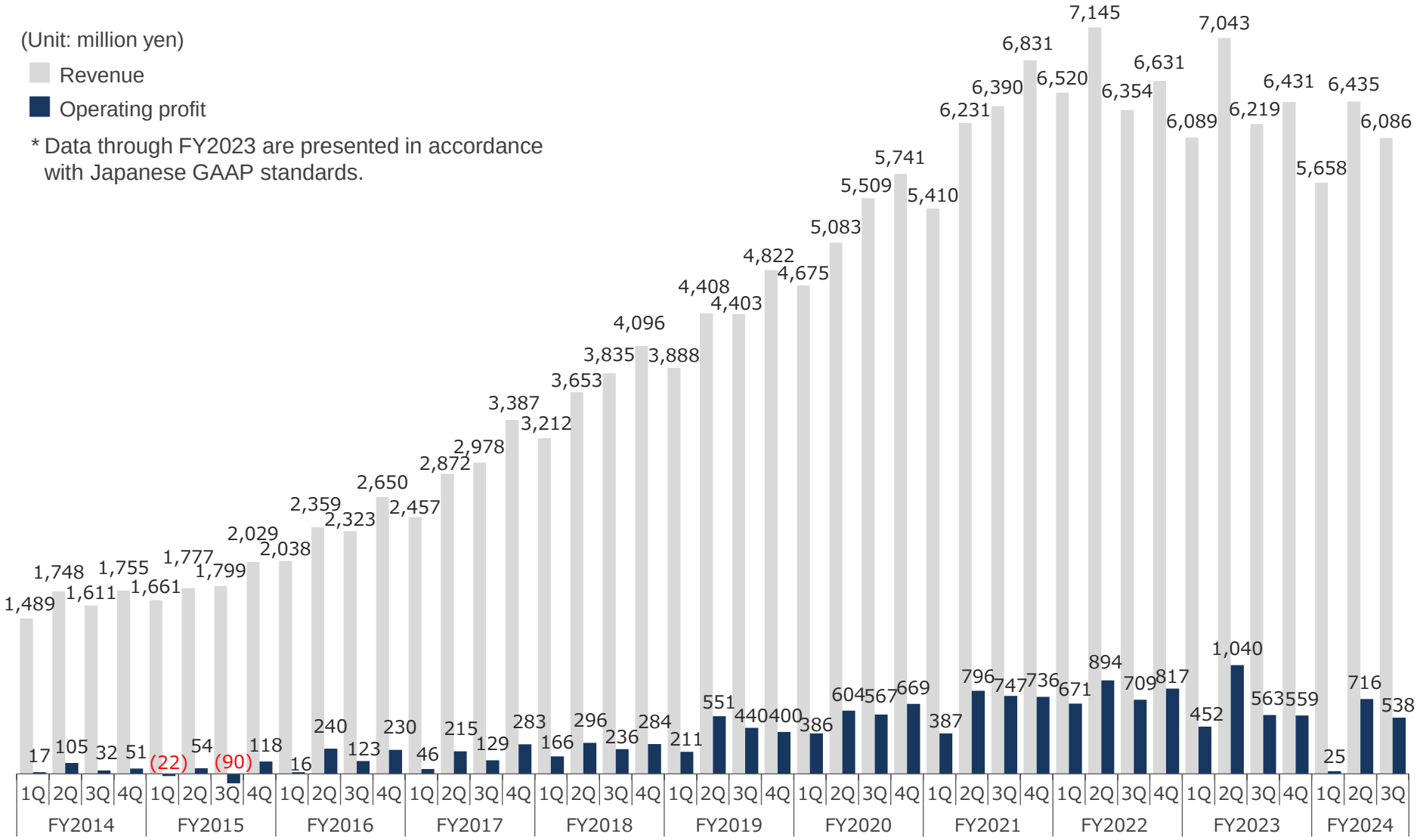
3Q was strong, supported by Special Needs Employment Services and Wide-area Administrative BPO Services.

(Unit: million yen)

Revenue

Operating profit

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



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2. 3Q FY2024 Overview by Business Segment

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[Business Solutions Segment]

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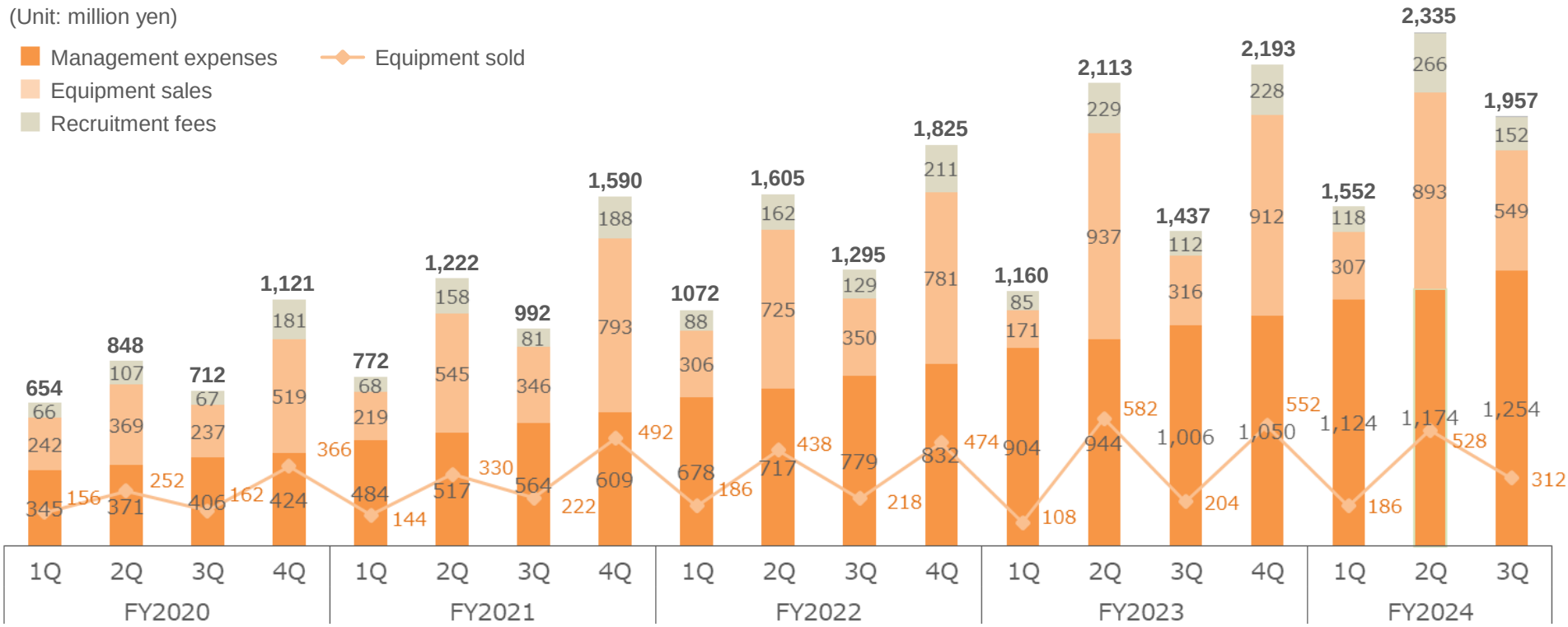
Revenue: **5,844** million yen (YoY change +24.0%)

Orders and sales remained strong due to an increase in the statutory employment ratio.

[Equipment sales] 3Q: 312 sections (Planned: 275–325 sections)　[Sections managed] 8,485 sections
[Customers] 651 companies (new: 12; cancellations: 2)
[Number of employees] 4,243 persons (retention rate 92%)　[Number of farms] 51 facilities

- Equipment sales exceeded 300 sections for the first time for 3Q. One farm opened (1 indoor).
- Matching service (support for recruitment and retention) centered on office work staffing leveraging expertise accumulated to date will begin.



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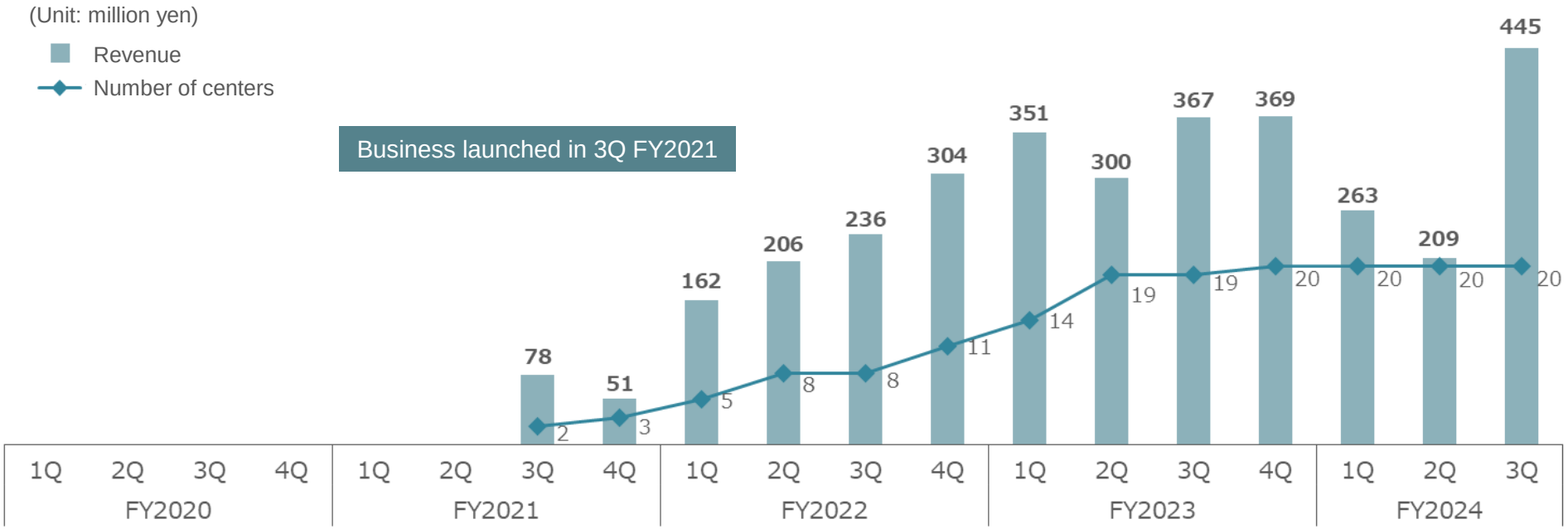
Revenue: **917** million yen (YoY change -10.0%)

Sales continue to grow due to the launch of various national projects. Sales were well above the record high for the quarter.

- National projects related to the flat-sum cuts in personal income tax have begun.
- A new center opens in Ginowan City, Okinawa in September 2024. This business is based on a wide-area administrative model.
- For the national projects business, we will closely monitor developments following the general election. We will focus on sales of Wide-area Administrative Services, important services for the business.



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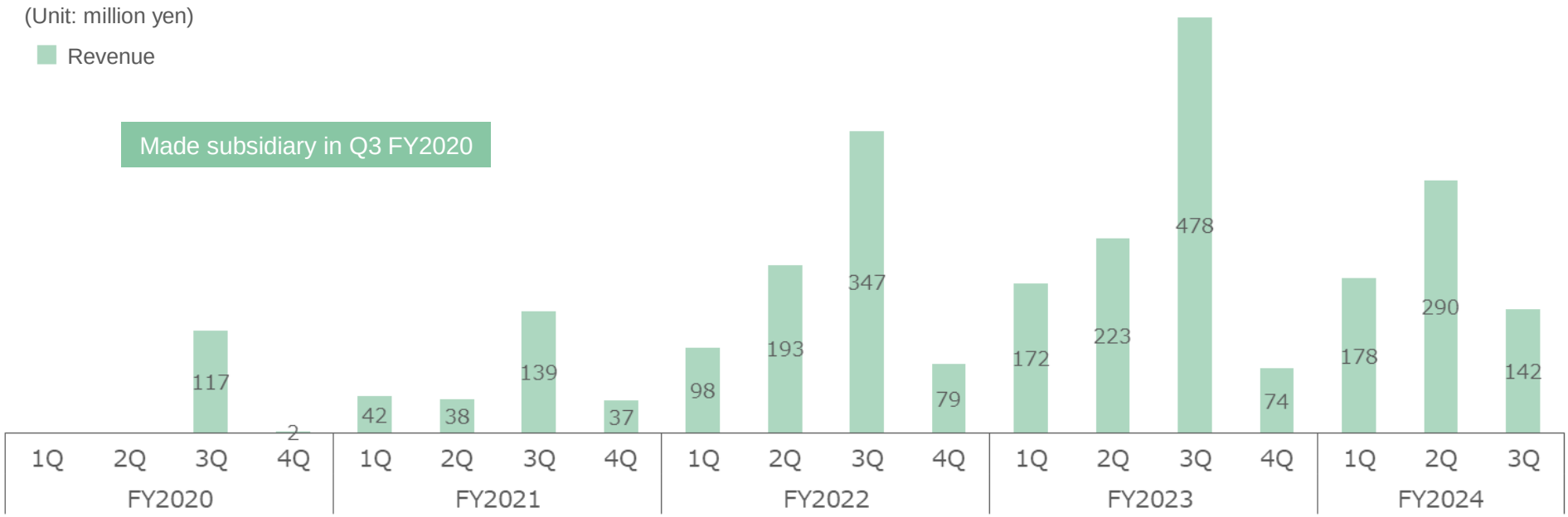
Revenue: **609** million yen (YoY change -30.3%)

Strong sales. Due to significant growth in 4Q, we expect to achieve the targets set for the full-year plan (revenue of 1,430 million yen).

- Sales in 3Q declined due to a change in the delivery timing (from 3Q to 4Q) of the main service (consulting for CDP).
- Orders for CDP consulting grew significantly YoY. 4Q sales are all but certain to reach significant new record highs.
- Consulting services for local governments are performing well. Cumulative orders received from local governments exceeded 50.



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Logistics Outsourcing Services

Revenue: **978** million yen (YoY change -12.5%)

- Sales and profits were down due to the withdrawal from distribution center operations services.
- Improved profits from e-commerce shipping services returned the cumulative results to the black for the current fiscal year.

Employment Support Services

Revenue: **566** million yen (YoY change +3.6%)

- Despite steady growth in new customers, due to a decline in unit prices resulting from the use of AI, sales increased only slightly.
- Operating income achieved double-digit growth due to increased operational efficiency and productivity.

Sales Support Services

Revenue: **821** million yen (YoY change +34.4%)

- The opening of the new base expanded the outsourcing of large-scale campaigns, resulting in significant sales growth.
- Collaborative services with BELLSYSTEM24 expanded steadily.

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[Human Resource Solutions Segment]

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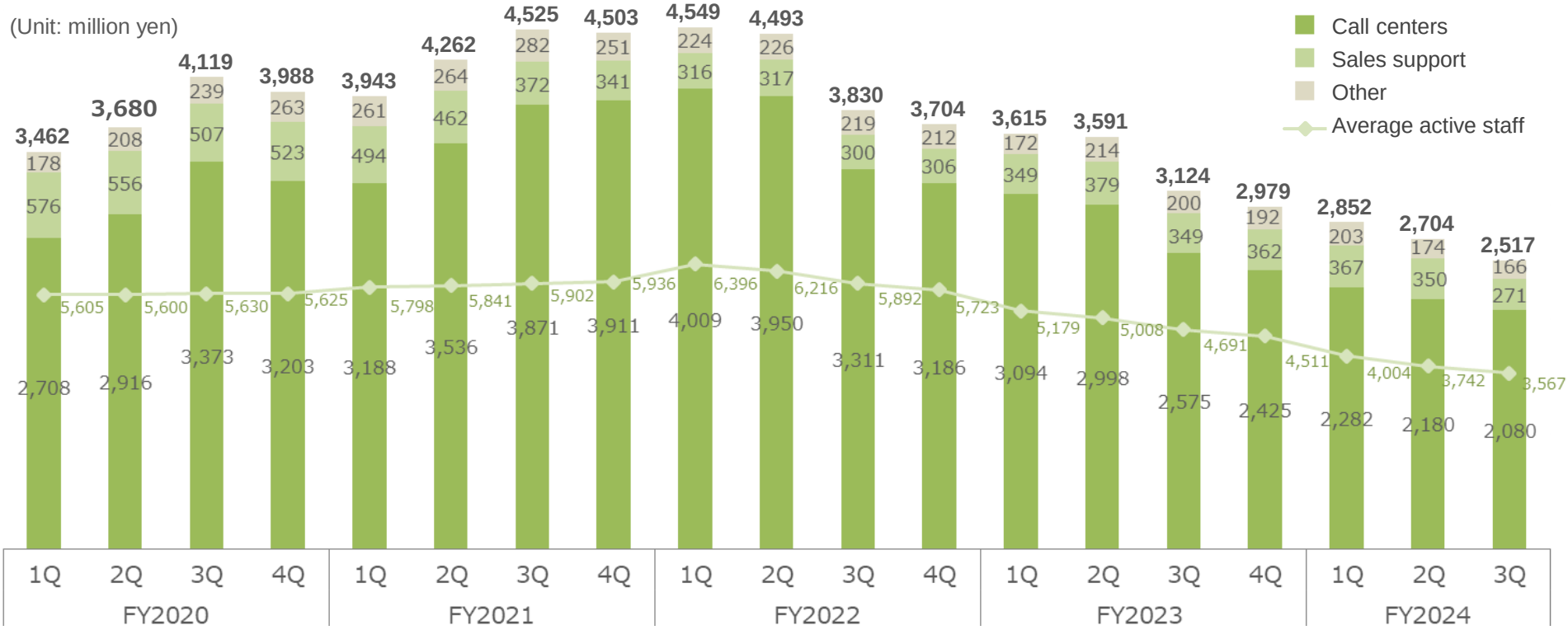
Revenue: **8,073** million yen (YoY change -21.9%)

Despite the continuing decline in sales in 3Q, signs of demand recovery emerged. We plan to mount efforts to achieve recovery after bottoming out in 4Q.

[Call centers] 6,543 million yen (YoY change -24.5%)
[Sales support] 989 million yen (YoY change -8.3%)

- The decline in sales was due to the residual impact of the increase in numbers of staff leaving the company at the end of the fiscal year.
- While demand recovery is slow, the issue of excess temporary staff leaving the company is improving.



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3. FY2024 Performance Forecasts

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The change to IFRS will result in a decrease in operating profit, which was higher under Japanese GAAP. The upturn will result in an increase in profit.

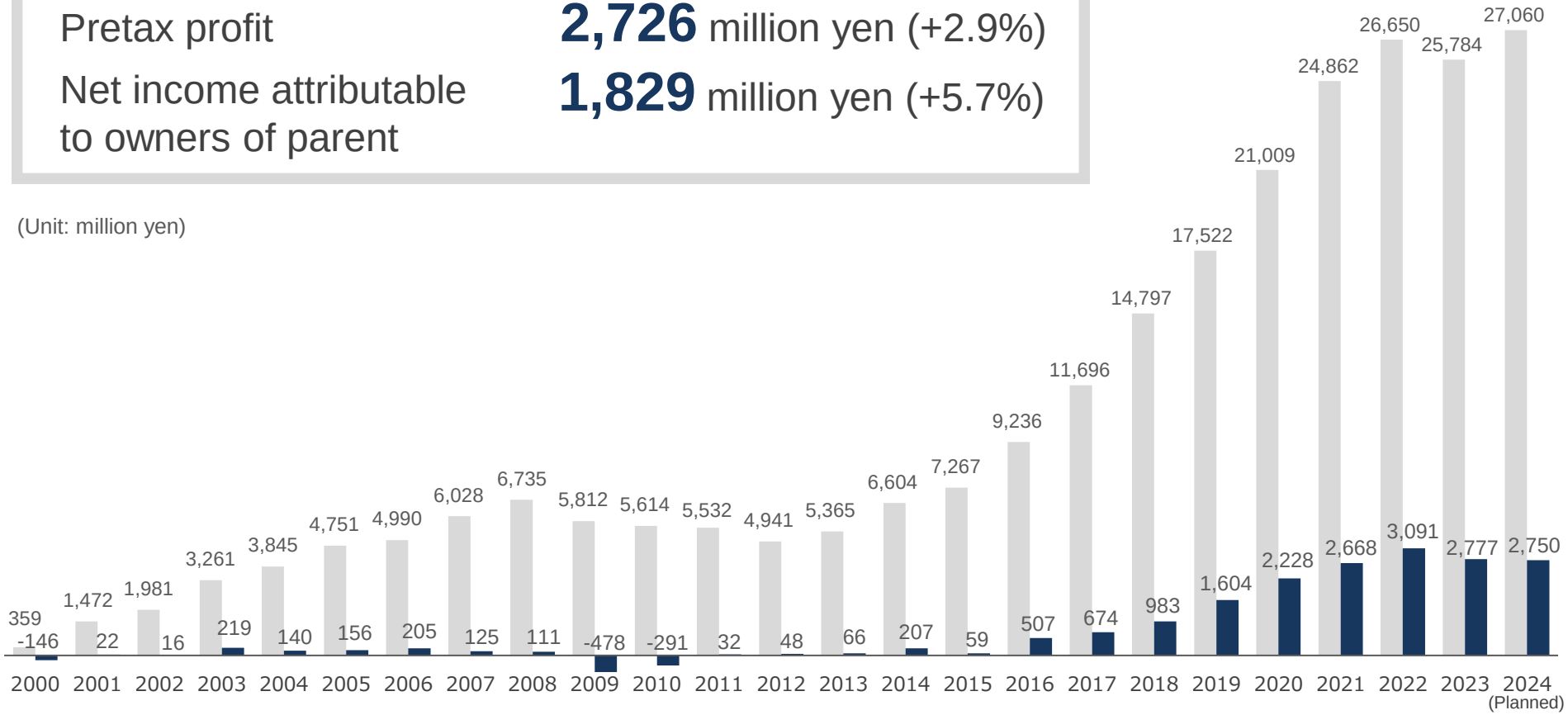
(YoY change)

Revenue	**27,060** million yen (+4.9%)
Operating profit	**2,750** million yen (-1.0%)
Pretax profit	**2,726** million yen (+2.9%)
Net income attributable to owners of parent	**1,829** million yen (+5.7%)

Revenue
Operating profit

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

(Unit: million yen)



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FY2024 Performance Forecasts (Details)

Sales may decline due to the failure to achieve the target set for Human Resource Outsourcing Services.
Due to the upward trend in the Business Solutions Segment, operating profits appear primed to achieve the plan targets.

(Unit: million yen)	**FY2024 planned**	FY2023 results	YoY	YoY(%)
Revenue	**27,060**	25,784	+1,275	+4.9%
Gross profit	**9,625**	8,907	+717	+8.1%
Gross profit margin (%)	35.6%	34.5%	-	+1.1 pt
Selling and administrative expenses	**6,875**	6,223	+651	+10.5%
Selling and administrative expenses/net sales (%)	25.4%	24.1%	-	+1.3 pt
Operating profit	**2,750**	2,777	-27	-1.0%
Operating profit margin (%)	10.2%	10.8%	-	-0.6 pt
Pretax profit	**2,726**	2,649	+76	+2.9%
Net income attributable to owners of the parent	**1,829**	1,730	+99	+5.8%

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Sales and profits in the Business Solutions Segment continue to increase. The Human Resource Solutions Segment aims at an early bottoming out.

(Unit: million yen)		FY2024 planned	FY2023 results	YoY	YoY
Revenue	Business Solutions Segment	**15,023**	12,555	+2,467	+19.7%
	Human Resource Solutions Segment	**12,325**	13,310	-985	-7.4%
	Adjustments	(288)	(82)	-	-
	Total	**27,060**	25,784	+1,275	+4.9%
Operating profit	Business Solutions Segment	**3,497**	3,040	+456	+15.0%
	Human Resource Solutions Segment	**1,120**	1,265	-145	-11.5%
	Adjustments	(1,867)	(1,529)	-	-
	Total	**2,750**	2,777	-27	-1.0%
Operating profit margin	Business Solutions Segment	**23.3%**	24.2%	-	-0.9 pt
	Human Resource Solutions Segment	**9.1%**	9.5%	-	-0.4 pt
	Total	**10.2%**	10.8%	-	-0.6 pt

Business Solutions Segment: Special Needs Employment Services, Logistics, 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 expenses, and other revenues and expenses

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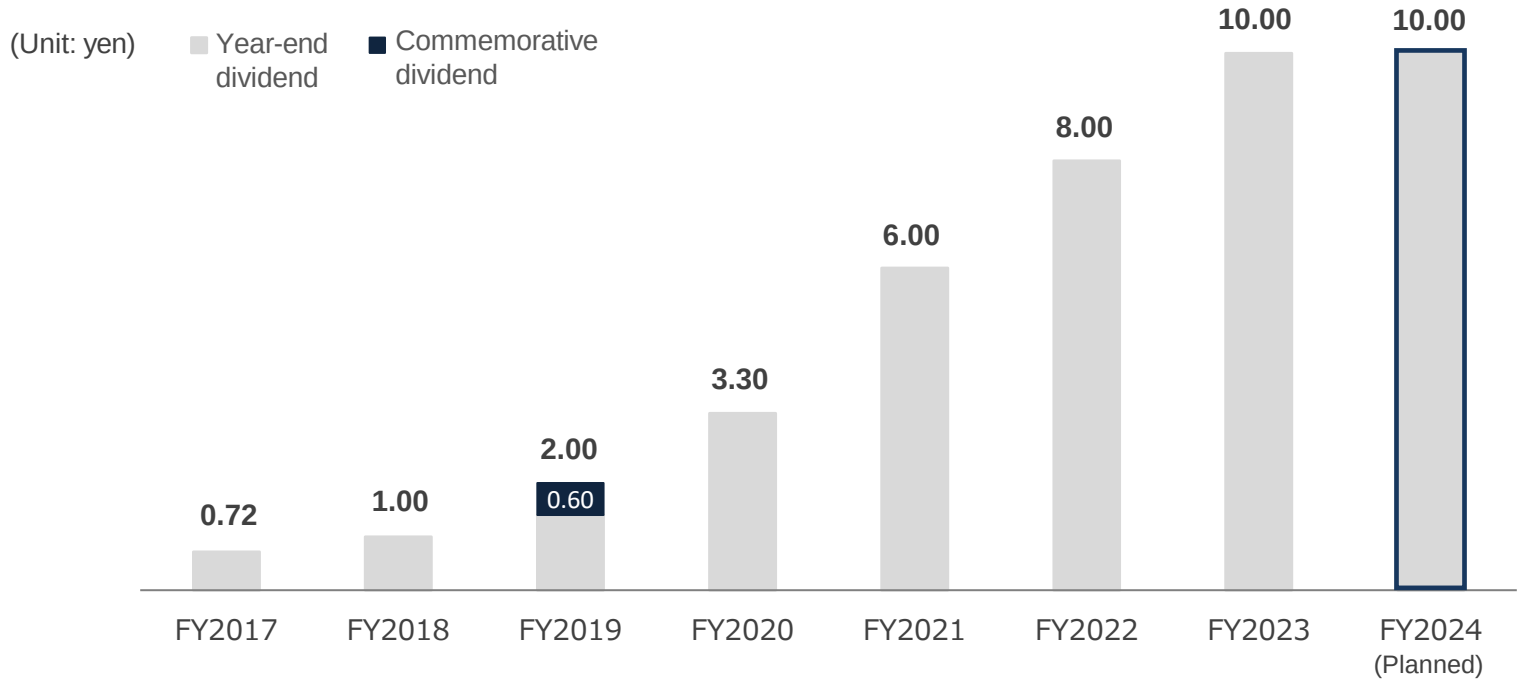
FY2024 dividend of 10 yen planned (Consolidated payout ratio of 43.2%)

Dividend plan



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.)

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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 (351 companies)

FTSE Blossom Japan Sector Relative Index (662 companies)

M S C I

MSCI ESG RATINGS — A

CCC | B | BB | BBB | A | AA | AAA

ESG Rating: **A**

C D P

DISCLOSURE INSIGHT ACTION

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

SUSTAINALYTICS

Rated MORNINGSTAR | SUSTAINALYTICS

ESG Risk Rating:
Low Risk

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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.

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[Reference materials] Company Overview

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	1,178 persons (consolidated, as of end of August 2024)	
Number of facilities	92 locations (as of end of September 2024)	

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[Reference materials] List of Group Member Companies

Parent company

S-POOL Business holding company and new business development

S-Pool, Inc.

Group member companies

S-POOL Human Solutions Human Resource Outsourcing Services (staffing, referral)

S-Pool Human Solutions, Inc.

S-POOL Plus Special Needs Employment Services

S-Pool Plus, Inc.

S-POOL Glocal Wide-area Administrative BPO Services

S-Pool Glocal, Inc.

blue.green Environmental Management Support Services

S-Pool Blue Dot Green, Inc.

S-POOL Link Employment Support Services

S-Pool Link, Inc.

S-POOL Logistics Logistics Outsourcing Services

S-Pool Logistics, Inc.

S-POOL Bridge Business Succession Support Services

S-Pool Bridge, Inc.

S-POOL Sales Support Sales Support Services

S-Pool Sales Support, Inc.

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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)

■ Wide-area Administrative BPO Services [1.38 billion yen]

- Shared BPO services for local governments.
- online counter business

■ Environmental Management Support Services [9.4 billion yen]

- CO_2 emissions calculation support, carbon credit brokering support
- Decarbonization support services for local governments.

■ Logistics Outsourcing Services [1.47 billion yen]

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

■ Sales Support Services [800 million yen]

- Sales promotion support (campaigns, promotions)

■ Employment Support Services [710 million yen]

- OMUSUBI part-time worker employment support service

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.

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[Reference materials] Group Network (92 facilities nationwide)

S-POOL
Akihabara (Group head office), Sapporo Tech Center

S-POOL Human Solutions 9 Branches
Sapporo, Sendai, Shinjuku, Ikebukuro, Nagoya, Osaka, Fukuoka, Kumamoto, Naha

S-POOL Logistics 2 facilities
Shinagawa, Nagareyama

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

S-POOL Sales Support 5 Branches
Sapporo, Akihabara, Tokai, Osaka, Fukuoka

blue.green
Akihabara

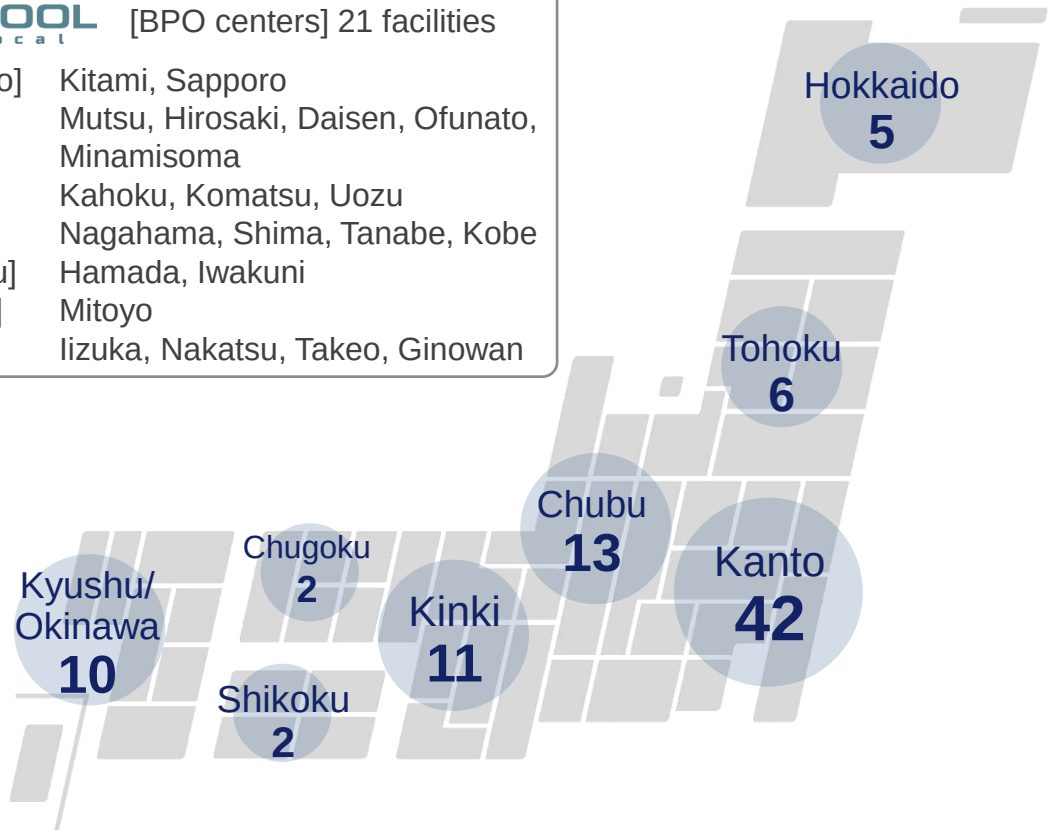
S-POOL Bridge
Akihabara

S-POOL Plus+ [Work Happiness Farms] 51 farms

[Kanto]	Itabashi①②, Katsushika, Toyosu, Tachikawa, Yokohama①②, Saitama①②③④, Kawagoe①②③, Koshigaya①②, Iruma, Misato, Ichikawa, Funabashi①②③, Wakaba①②, Hanamigawa, Matsudo, Kashiwa①②③, Yachiyo, Ichihara①②, Mobara①②, Noda, Inzai
[Chubu]	Nagoya①②, Kasugai, Komaki①②, Tokai, Nagakute, Toyoake, Miyoshi
[Kinki]	Osaka①②, Higashi-Osaka, Settsu, Daito, Hirakata

S-POOL Glocal [BPO centers] 21 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, Ginowan



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