CAREER DESIGN CENTER

34th term (FY9/2025)

1Q Financial Results Supplemental Material

CAREER DESIGN CENTER CO., LTD. (2410)

January 31, 2025

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Human Resource Solution Company
株式会社 キャリアデザインセンター

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(October 2024–December 2024)

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34th term 1Q Review of Financial Results

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1. Market Conditions

The job-offers-to-applicants ratio in November 2024 was 1.25 times, having remained flat from the previous survey.
No major change was seen in the recruitment environment, especially in the engineer field, and recruitment activities remained in a lull. Companies which continued to offer jobs face trends similar to those in the previous fiscal year, such as the ongoing decline in the informal job offer rate, due to higher recruitment criteria.

2. Result for 1Q (October - December)

IT Worker Dispatch Business and other businesses remained strong due to the implementation of measures to increase net sales. On the profit front, we held a women's fair in Kansai, intensified recruitment activities in the indefinite-term employment field of the IT Worker Dispatch Business, and enhanced other activities including advertising and human investment. Meanwhile, we continued to hold down costs in a company-wide manner. As a result, ordinary profit also remained steady.

34th term 1Q Financial Results

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(Million yen)	Results	Results in the previous fiscal year	YoY
Net sales	4,601	4,393	104.7%
Operating profit	377	419	90.0%
Ordinary profit	382	419	91.1%
Profit	260	288	90.5%

34th term 1Q Costs

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(Million yen)	Results	Results in the previous fiscal year	YoY
Total expenses	4,219	3,973	106.2%
Personnel expenses	1,292	1,251	103.3%
Advertising expenses	511	565	90.6%
Dispatched worker salaries	1,665	1,484	112.2%
Other	751	673	111.2%

34th term 1Q Overview by Business (Media business/registrations)

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(Million yen)	Net sales (YoY)	Ordinary profit (YoY)	Ordinary profit ratio
Media Business	1,487 (101.4%)	150 (75.2%)	10.1%

概況
(1) Net sales in the Kansai area increased 29% YoY. (2) Growth in net sales in the engineer field remained in a lull. (3) We took measures such as increasing the number of business negotiations for new client acquisition, increasing sales prices, acquiring female engineers, and expanding sales in the Kansai area. (4) We strengthened investments designed to increase earnings. In addition, we continued to bolster investment in Direct type.

	Results	Results in the previous fiscal year	YoY
Engineers	423	495	85.5%
Sales	85	89	96.0%
type total	611	692	88.3%
Onna no Tenshoku type	808	738	109.4%
Fair Total	76	43	176.9%

34th term 1Q Overview by Business (Media business/registrations)

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type	**New membership registrations**	YoY change 81. 1%	New membership registrations decreased due to the reduction of advertising expenses in the previous fiscal year.
	Number of applications	YoY change 112.0%	The use of an email newsletter service and IT tools played a crucial role in driving a significant year-on-year increase in the number of applications received. Applications for engineering job offers increased significantly.
Onna no Tenshoku type	**New membership registrations**	YoY change 80. 1%	New membership registrations decreased due to the reduction of advertising expenses in the previous fiscal year.
	Number of applications	YoY change 97. 7%	The number of applications also decreased due to the reduction of advertising expenses and a decrease in membership registrations in the previous fiscal year.

34th term 1Q Overview by Business (Personnel Placement Business)

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(Million yen)	Net sales (YoY)	Ordinary profit (YoY)	Ordinary profit ratio	Overview
General Field	701 (96.3%)	92 (174.1%)	13.2%	(1) We tapped into job openings at new customers, acquired registration of IT engineers and other job seekers, and increased the number of points of contact for interviews, etc., thus implementing initiatives to improve recruitment yields. (2) The number of registered users was on a downward trend despite the strengthening of customer attraction through CDC's website and friend referral initiatives.
Mid-Career Field	72 (102.8%)	▲11 (Results in the previous fiscal year 0)	—	(1) We focused our efforts on finding new job openings and acquiring new registrations of users with advanced skills and experience. (2) The number of registered users was on a downward trend despite the strengthening of customer attraction through CDC's website.
Personnel Placement Business	773 (96.8%)	80 (151.2%)	10.5%	

34th term 1Q Overview by Business (New Graduate Business)

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(Million yen)	Net sales (YoY)	Ordinary profit (YoY)	Ordinary profit ratio	Overview
New Graduate Recruitment Fair	225 (91.1%)	84 (75.4%)	37.6%	(1) Net sales decreased temporarily as some companies reduced the number of new recruits. (2) We intensified efforts to find new job openings and sales of seminars that are each tailored to the needs of a specific company. (3) We held early events for internships for students who will graduate in FY2026.
New Graduate Placement	38 (105.0%)	▲17 (Results in the previous fiscal year ▲20)	—	We strengthened efforts to find new job openings to increase the number of new student registrations and the number of successful contracts.
New Graduate Business	264 (92.9%)	67 (73.6%)	25.6%	

34th term 1Q Overview by Business (IT Worker Dispatch Business)

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(Million yen)	Net sales (YoY)	Ordinary profit (YoY)	Ordinary profit ratio	Overview
Fixed-term Employment	2,008 (109.1%)	118 (114.6%)	5.9%	(1) We stepped up our efforts to attract IT engineers for registrations. In addition, the number of active workers among dispatched staff increased thanks to efforts aimed at tapping into job openings from new customers and making more proposals regarding dispatched staff job openings. (2) In advertising, we revised the efficiency of external channels for attracting customers, and strengthened channels for acquiring customers directly through CDC.
Indefinite-term Employment	67 (2558.1%)	▲35 (Results in the previous fiscal year ▲29)	—	(1) We stepped up efforts to recruit mid-career workers at the beginning of the quarter to achieve profitability quickly. The recruitment made steady progress. (2) The engineers who have been hired are working at a pace that is beyond our initial expectations.
IT Worker Dispatch Business	2,075 (112.6%)	83 (112.4%)	4.0%	

34th term 1Q【Reference】Trends in quarterly business results

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(Million yen)		31st term				32nd term				33rd term				34th term
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Media Business	Net sales	1,077	1,239	1,272	1,302	1,360	1,409	1,408	1,434	1,466	1,535	1,473	1,542	1,487
	Ordinary profit	101	80	30	▲34	149	123	62	64	200	150	114	272	150
Personnel Placement BusinessGeneral Field	Net sales	572	651	707	684	731	687	839	752	728	713	811	644	701
	Ordinary profit	15	51	66	▲19	79	33	169	55	53	26	125	▲20	92
Personnel Placement BusinessMid-career Field	Net sales	49	50	72	128	87	90	64	107	70	114	87	97	72
	Ordinary profit	11	10	23	62	29	25	2	30	0	44	24	23	▲11
New Graduate Recruitment Fair Business	Net sales	180	130	193	54	209	176	271	133	248	173	267	136	225
	Ordinary profit	88	46	76	▲40	102	58	121	17	112	33	132	37	84
New Graduate Placement Business	Net sales	32	37	83	89	36	48	82	92	36	40	64	46	38
	Ordinary profit	▲9	▲6	36	23	▲14	▲4	22	27	▲20	▲24	▲3	▲11	▲17
IT Worker Dispatch BusinessFixed-term Employment	Net sales	1,634	1,649	1,780	1,830	1,860	1,837	1,864	1,803	1,841	1,764	1,863	1,884	2,008
	Ordinary profit	105	108	146	125	122	106	129	73	103	67	78	62	118
IT Worker Dispatch BusinessIndefinite-term Employment	Net sales	-	-	-	-	-	-	-	-	2	11	26	42	67
	Ordinary profit	-	-	-	-	-	-	▲1	▲9	▲29	▲27	▲59	▲25	▲35
Total	Net sales	3,547	3,759	4,110	4,090	4,284	4,249	4,530	4,323	4,393	4,353	4,593	4,394	4,601
	Ordinary profit	313	292	379	116	470	341	506	259	419	269	411	337	382

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34th term Net Sales and Profit Forecasts

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In 1Q, both net sales and profits remained steady compared to forecasts.
While the number of successful contracts in the Personnel Placement Business (General Field) has been trending higher, there was also an increase in the number of projects with a long interval between the signing of the contract and the date when the worker joins the company. Net sales for 2Q are expected to decrease due to posting of some of them in 3Q. However, other businesses are expected to remain steady. Therefore, results forecasts for FY9/2025 remain unchanged.

(Million yen)	Results Forecast	Results in the previous fiscal year	YoY
Net sales	19,000	17,734	107.1%
Operating profit	1,762	1,432	123.0%
Ordinary profit	1,750	1,438	121.7%
Profit	1,180	984	119.9%

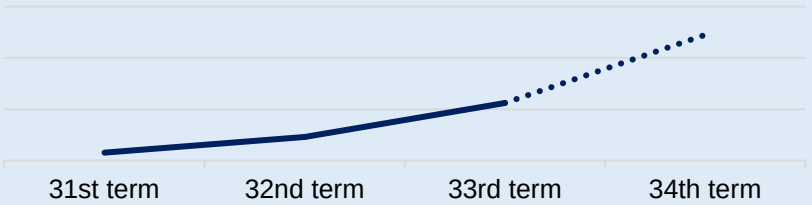
34th term Progress in New Initiatives

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Launch Direct type

We have been steadily attracting registered users for IT engineer positions, and the number of successful placements with client companies is increasing.
We will continue to implement measures to attract more registered users, while aiming to expand as a service to support the recruitment of IT engineers.

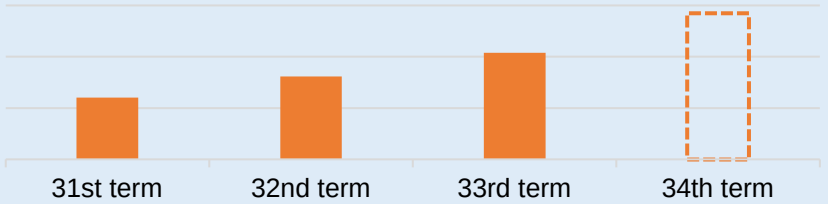
Number of hires via the **Direct type**



Sales expansion in the Kansai area

Net sales have been steadily increasing in proportion to the increase in recognition of us.
We will keep strengthening promotions to improve recognition and attract more registered users, with the aim to increase earnings even more.

Trends in sales in the Kansai area



Early launch of indefinite-term worker dispatch

The full-year target was achieved ahead of schedule for
both mid-career workers and new graduates.
Mid-career workers have become active. We will continue to step up efforts to tap into job openings with high unit prices and those that will lead to the personal development of candidates, aiming for stable recruitment and operation.

Trends in sales of indefinite-term worker dispatch

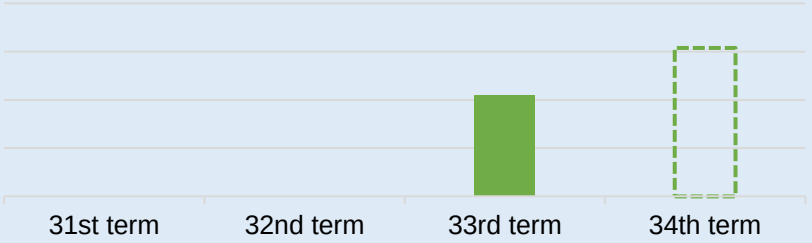


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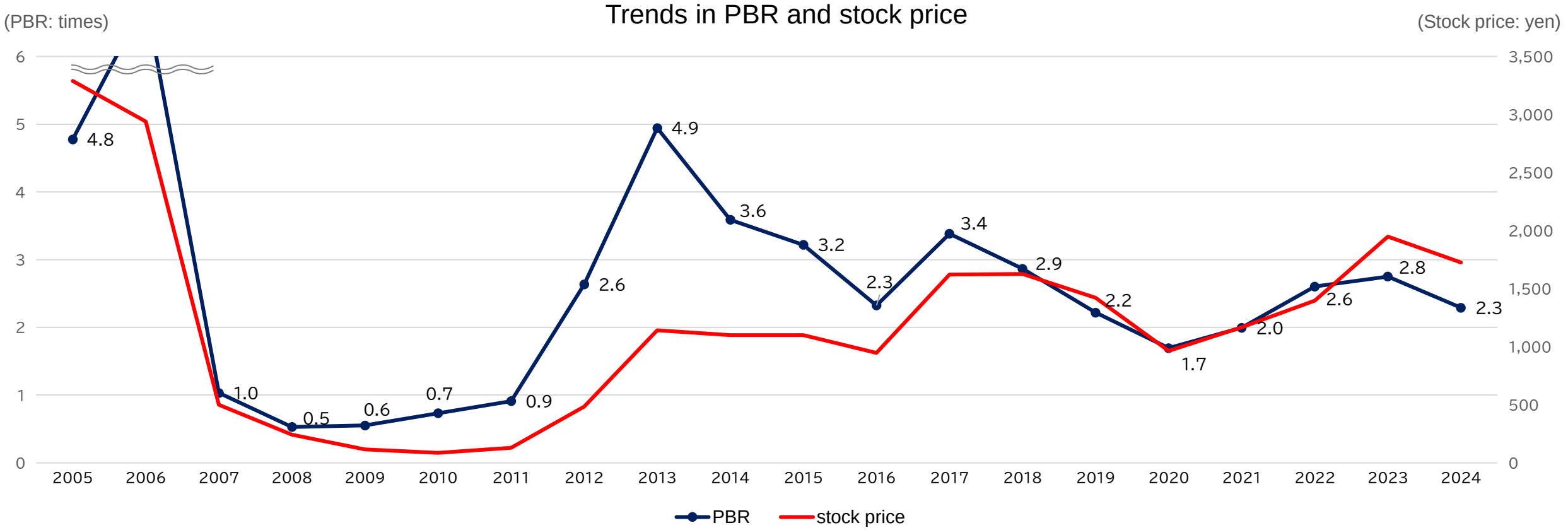
3. Management Conscious of Cost of Capital and Stock Price

Management Conscious of Cost of Capital and Stock Price

Present Data Analysis and Issue (PBR)

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PBR has been lower than it was previously because the rate of growth of net assets has outpaced that of the stock price since the Global Financial Crisis. The issue is that our achievement of stable growth in earnings and our future growth prospects have not been fully recognized by the market. Moving forward, we will strive to increase our share price by bolstering our performance and improving capital efficiency, aiming to return PBR to its previous level.

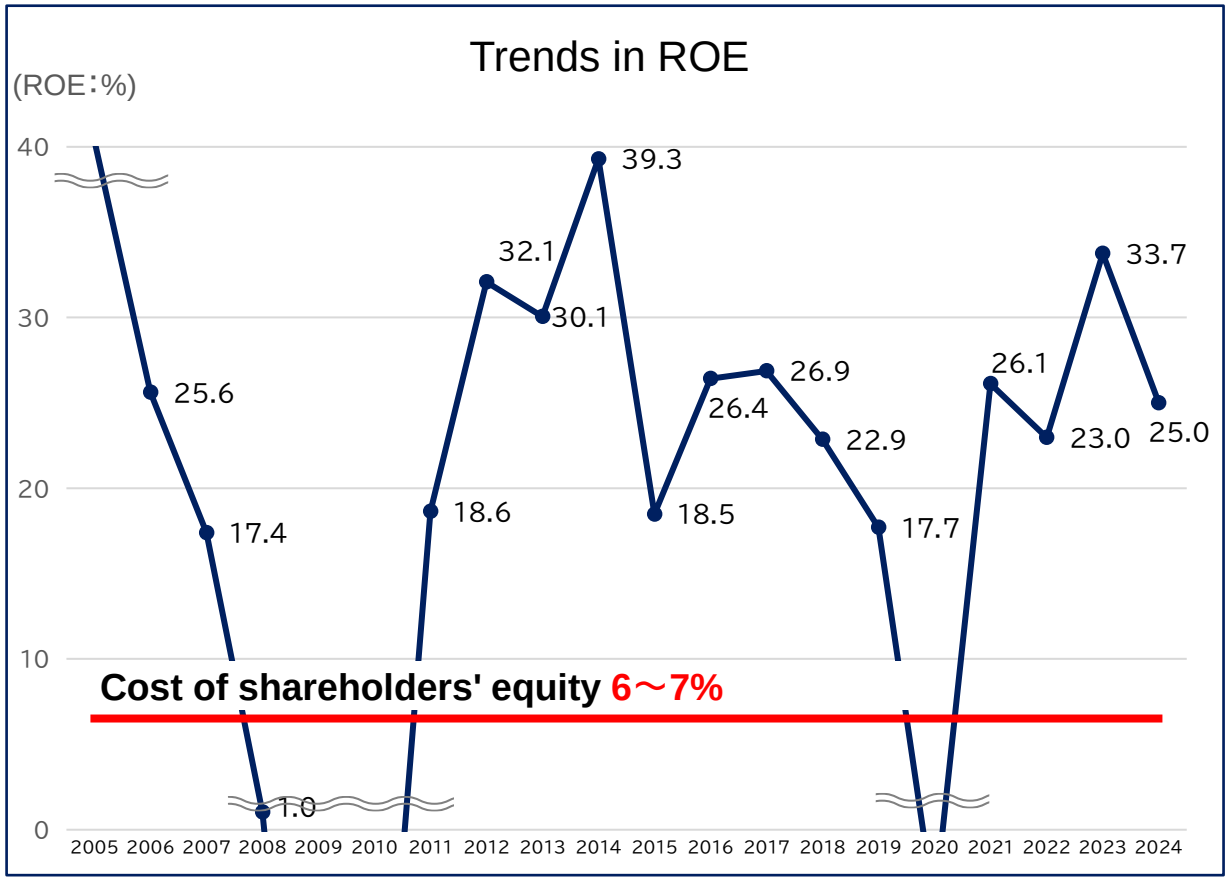


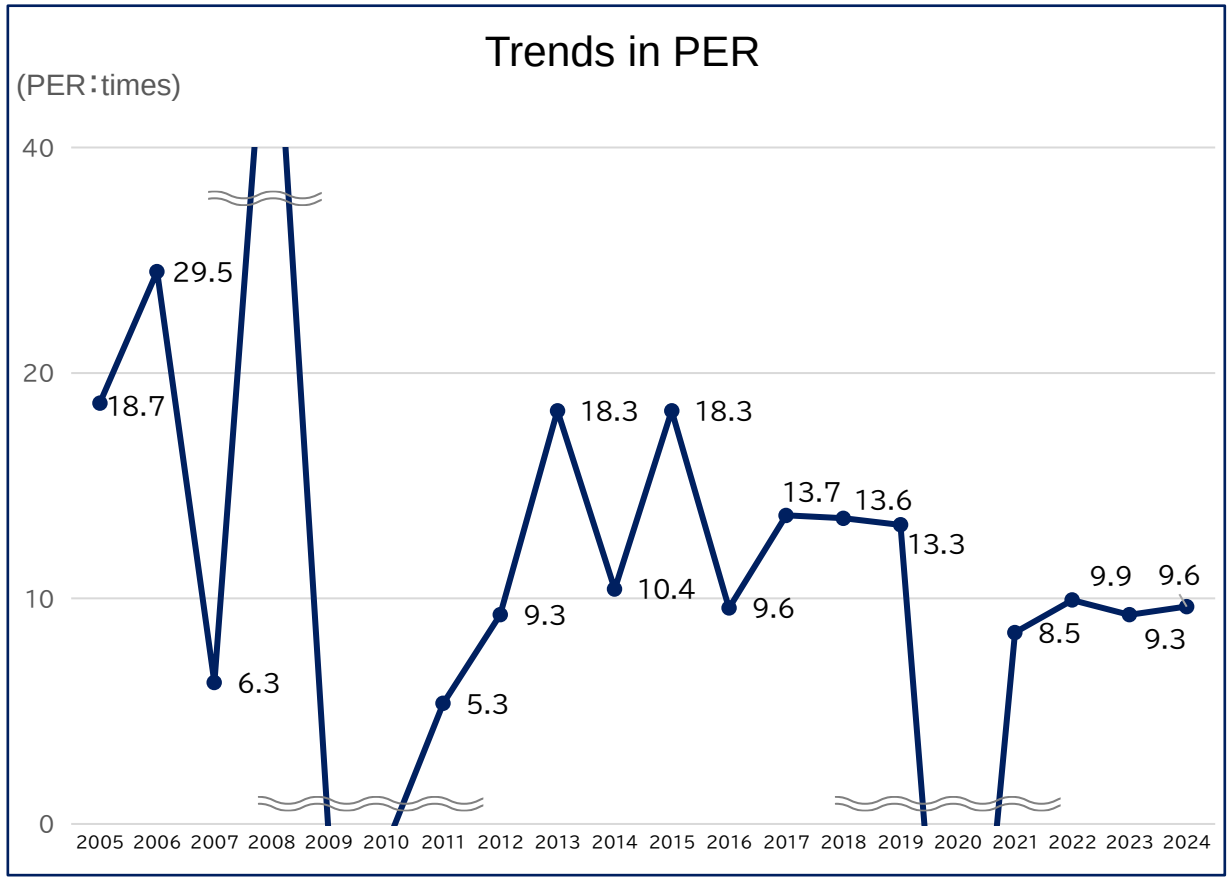
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Present Data Analysis and Issue (ROE・PER)

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While ROE has been mostly kept above the level of capital cost, stable profit growth linked with changes in the economic environment has yet to be achieved, which is an issue.While the profit exceeds the pre-COVID-19 level at present, we face the same issue with regard to PER, which is slightly below the previous level. Moving forward, we will work to improve the profit rates of existing businesses and bolster investments in new businesses, so as to achieve stable profit growth.





Cost of shareholders' equity	=	Risk-free rate	+	β (beta) sensitivity	×	Market risk premium
6～7%		0.99 %		0.742		7～8%

Management Conscious of Cost of Capital and Stock Price
Future Initiatives

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We will step up investments in growth to achieve stable rises in earnings. At the same time, we will increase shareholder returns and take other steps so that we are evaluated more highly in the market.

Growth investments	**Investing in new businesses and in employees as human capital in addition to increasing profit from existing businesses, with the aim of enhancing business competitiveness and achieving stable profit growth in the future** - Investment in existing businesses and new businesses - Human capital investment and system investment
Shareholder returns	**Being proactive in increasing divided payout ratio and considering other measures, so as to maximize shareholder value** **Pursuing a policy of increasing shareholder returns while balancing them with growth investment** - Stable dividend - Reflecting profit growth in shareholder returns
Financial health	**Striving to mitigate financial risks while maintaining an appropriate capital structure** - Optimization of capital structure - Mitigation of financial risk

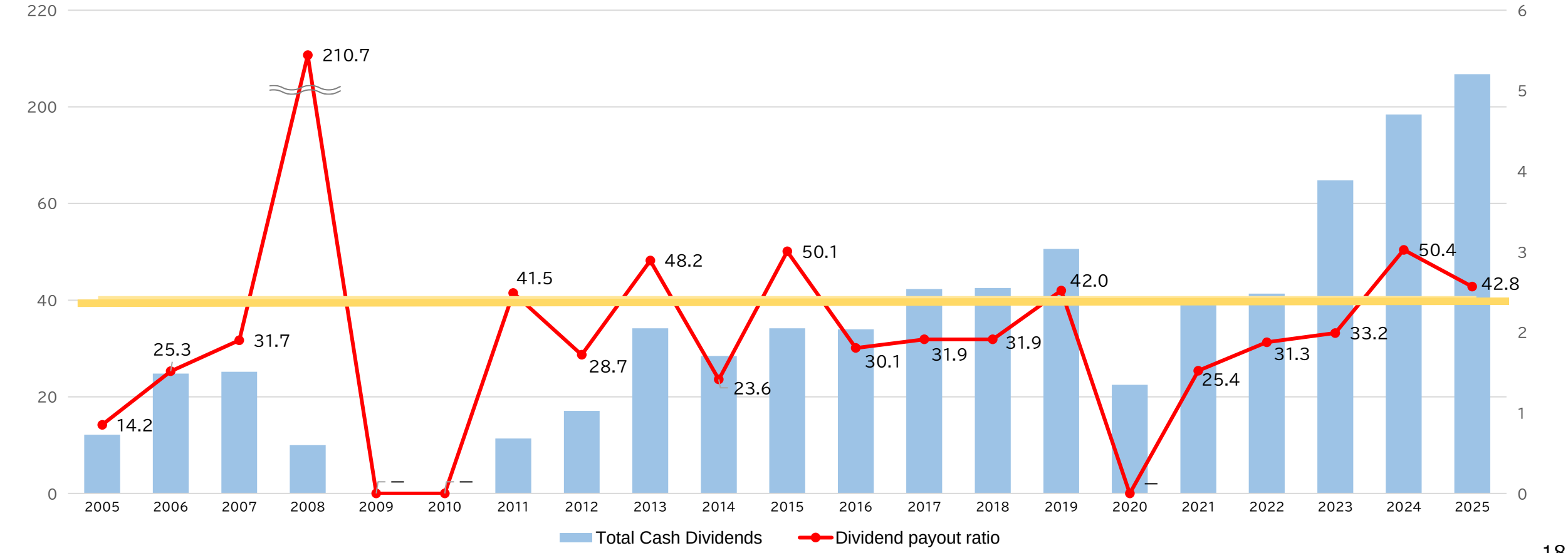
Management Conscious of Cost of Capital and Stock Price

Shareholder returns

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To clarify our commitment to returning profits to shareholders and enhance shareholder returns, we have set a target dividend payout ratio of 40% or higher based on ordinary dividends alone. We will continue to provide stable dividends, taking into account business performance trends, financial conditions, and other factors. (Announced on August 20, 2024)

Trends in dividend and payout ratio



Management Conscious of Cost of Capital and Stock Price
Promotion and Strengthening of IR Activities

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With a basic policy of truthful information disclosures, we will be proactive in implementing IR activities to build a relationship of trust with investors.

Improving information disclosure

We will provide investors with the necessary information in a timely, fair manner, with a basic policy of emphasizing transparency and accuracy in information disclosures.

- Preparing disclosure documents in Japanese and English
- Enhancing corporate website
- Clarifying shareholder return policy
- Enhancing disclosure of non-financial information, including data related to environmental, social, and governance (ESG) elements

Dialogues with investors

We emphasize two-way dialogues with investors and strive to build a long-term relationship of trust with them.

- Holding financial results briefings twice a year, with our representative director and president as well as our director in charge of IR giving explanations in person
- Holding meetings in response to requests from institutional investors in Japan and other countries
- Collecting questions and feedback from investors and reflecting them in management

Internal feedback on IR activities

We reflect investors' opinions, which we obtain through IR activities, in our management and leverage them in improving our business activities and growth strategy.

- Feeding back questions asked in meetings with institutional investors to the Board of Directors to leverage them in future disclosures, meetings, etc.
- Improving the content of information disclosure and presentation materials based on opinions from investors

References

Corporate Profile

Human Resource Solution Company
株式会社 キャリアデザインセンター

Company name	CAREER DESIGN CENTER CO., LTD.
Establishment	July 8, 1993
Representative	Hiromi Tada, Chairman and CEO
Address	Akasaka Long Beach Building, 3-21-20, Akasaka, Minato-ku, Tokyo
Capital	558,660,000
Listing	Tokyo Stock Exchange Prime Market (stock code: 2410)

Sustainability Management Pursued by CDC

Human Resource Solution Company
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We will provide working people with necessary assistance including career selection assistance to ensure that they lead prosperous lives, and, under proper corporate governance, we, as a company trusted by society, will create both social value and economic value through businesses, thereby seeking to contribute to a sustainable society and improve corporate value.

Corporate Philosophy

いい仕事・いい人生

Vision

Creation of a "society in which working people have good jobs and lead good lives"

Material issues

1. **Respecting diversity and creating an environment that values engagement**



2. **Energizing companies and facilitating economic growth**



3. **Realizing diverse workstyles that match the sense of value and workstyle requests of each individual**



4. **Strengthening corporate governance**



5. **Providing job seekers with opportunities for career development while also working to improve their standard of living**



Sustainability Initiatives

Human Resource Solution Company
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Respecting diversity

Number of employees
835

Average age
30.3

Ratio of female to male employees
43% Male 57% Female

Percentage of management positions
51% Male 49% Female

Return rate of employees from Childcare leave
94%

Percentage of new employees
43% New Graduate 57% Mid-career

女性が活躍しています！

Environmental management

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

We believe that dialog with stakeholders, including shareholders and investors, is important for the Earth and the sustainable growth of companies. Therefore, we expressed our support for the Task Force on Climate-related Financial Disclosures (TCFD) in October 2023 while joining the TCFD Consortium at the same time.

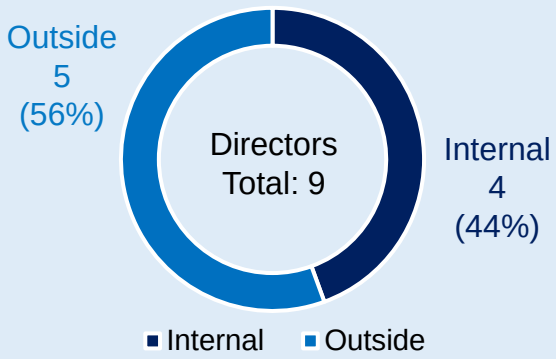
Item	Separate item	2021.9	2022.9	2023.9	2024.9
Greenhouse gas emissions (Unit: t-CO2)	Scope 1 (Utility gas consumption)	—	—	—	—
	Scope 2 (Power consumption)	326.6	334.9	290.7	345.0
	Scope 3 （Indirect emissions other than those listed above）		455.6	482.6	507.4
Amount of paper actually consumed (Index with the amount used in the fiscal year ended September 30, 2020 set as 100)		45.1	40.5	34.8	33.7

Governance initiatives

Human Resource Solution Company
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Working appropriately and cooperatively with stakeholders is essential for achieving sustainable corporate growth and creating corporate value on a medium- to long-term basis. With this in mind, our basic policy on corporate governance is to respect each person's position, increase management transparency, expedite decision-making processes and strengthen supervisory functions while also maximizing corporate value with proper corporate governance.

Composition of the Board of Directors

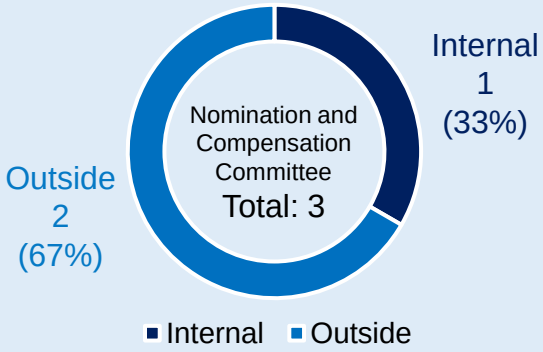


The Board of Directors comprises 9 members, specifically, four Internal Directors and five Outside Directors.

In addition, to increase management transparency and further expedite a decision-making process, we transitioned to being a company with an Audit and Supervisory Committee according to a resolution passed at the Annual General Meeting of Shareholders held on December 27, 2021.

The Audit and Supervisory Committee consists of three Directors (one full-time Audit and Supervisory Committee Member and two Outside Directors who are Audit and Supervisory Committee Members).

Composition of the Nomination and Compensation Committee



The Company has a Nomination and Compensation Committee, which is a non-statutory advisory committee chaired by an independent Outside Director and composed of one Internal Director (Chairman and President and Representative Director) and two Outside Directors.

Two committee meetings were held in the fiscal year ended September 30, 2023.

Disclaimer

The industry trends, analyses, future outlook, strategies and other information presented today are determinations made by Company management based on currently available information, but various factors may cause significant changes to the environment surrounding business in the future. Therefore, please note that future strategies and business performance may vary significantly from the information presented today.