

Sportsfield (TYO: 7080)

Revenue increased, but profits decreased in the 3Q of FY12/2024. The company aims to increase profits for the full year by making up for the shortfall in the 4Q.

◆ **3Q FY12/2024 Financial Highlights: Double-digit revenue growth but increased expenses for growth led to a decrease in profits**

Sportsfield announced its 3Q results (cumulative) for FY12/2024 on November 12, 2024, with sales of 2.84 billion yen (+10% YoY), operating profit of 650 million yen (-8% YoY), ordinary profit of 650 million yen (-8% YoY), and quarterly net profit attributable to owner of the parent of 410 million yen (-10% YoY). This was in line with the company's expectations. If we look at the 3Q (July-September) alone, sales were 790 million yen (+13% YoY), operating profit was 80 million yen (slightly down YoY), and ordinary profit was 80 million yen (slightly down YoY), showing signs of a recovery.

Sales are strong. In the first three quarters, the company's main businesses (New Graduate Events, New Graduate Placement, and Graduate Placement Support) have achieved record sales, and consolidated sales have reached a new high. In the 3Q (July to September), New Graduate Events and Graduate Placement Support business sales have also reached record highs. The company is steadily translating the strength of demand for sports personnel into results.

Concerning profits, investments aimed at growth, such as strengthening the personnel structure, advertising investment to acquire registrants, and investment in internal systems, have increased selling, general, and administrative expenses, and profits have decreased YoY. However, the ordinary profit margin remains high at 22.8%, which is a moderate investment in growth.

◆ **New Graduate Placement Business: Sponavi is struggling to grow, but Spochalle is doing well**

If we were to pick out a point of concern this time, it would be that sales in the New Graduate Placement Business are stalling as the quarter progresses. Although sales increased by 50% in 1Q, they decreased by 2% and slightly decreased in 2Q and 3Q, respectively, showing a lack of growth. Although it can be seen as a positive that the company was able to quickly capitalize on the strong demand for new graduates, looking at the details, both issues and achievements can be found.

Sponavi, the mainstay of this business, is struggling to grow. The number of students registered on Sponavi, unique student introductions, and the coverage ratio for students graduating in March 2025 have only increased slightly YoY, while the closing ratio has decreased somewhat. As a result, Sponavi sales have decreased YoY (based on the author's estimates from IR materials). As Sponavi is the company's flagship business, we hope to see the results of the abovementioned growth investment for the human resources graduating in March 2026.

Meanwhile, sales of Spochalle (for students with sports experience, including student athletic teams, sports clubs, and semi-athletic teams) – which complements Sponavi – increased by 65% in the 3Q, and now account for 25% of sales in the New Graduate Placement Business. It could be said that it has grown to become a second pillar.

◆ **End of share buyback**

The company decided to buy back its shares on August 20, 2024, and the buyback period was from August 21 to August 27, 2024. The number of shares repurchased was 149,100, and the total buyback amount was approximately 100 million yen. There are currently no announcements regarding additional share buybacks.

◆ **Full-year company forecast: revenue increase, operating, and ordinary profits increase plans unchanged**

The company's initial full-year forecast for FY12/2024 has been left unchanged: sales of 3.74 billion yen (+9% YoY), operating profit of 900 million yen (+3%), ordinary profit of 900 million yen (+3%), and net profit attributable to owner of the parent of 580 million yen (-3%).

The progress ratio of the cumulative total results up to the 3Q against the full-year forecast is 76.0% for net sales, 72.2% for operating income, and 72.0% for ordinary profit, so a turnaround in profits will be vital to achieving the full-year forecast.

Although it is difficult to expect significant growth in the New Graduate Placement Business due to seasonality, the company expects to achieve its full-year forecast due to firm orders for New Graduate Events of March 2026 and continued growth in the Graduate Placement Support Business.

3Q results update

Service

As of December 20, 2024

Share price (12/19) 566 Yen

52weeks high/low	¥512/923
Avg Vol (3 month)	11 thou shrs
Market Cap	¥4.2 bn
Enterprise Value	¥2.5 bn
PER (24/12 CE)	7.1 X
PBR (23/12 act)	2.6 X
Dividend Yield (24/12 CE)	2.8 %
ROE (23/12 act)	56.1 %
Operating margin (23/12)	25.4 %
Beta (5Y Monthly)	1.4
Shares Outstanding	7.43 mn shrs
Listed market	TSE Growth section

Share price



%	1M%	3M%	12M%
Share price	6.19	-4.07	-30.12
Japan TSE TOPIX	0.82	5.79	17.13

Points of interest

First, if the progress ratio against the full-year plan, which is slightly behind the previous year, will improve.

Secondly, progress on KPIs that will determine next year's performance. In addition to the solid orders for New Graduate Events, the cumulative number of students registered on Sponavi, etc., for March 2026 graduates, the cumulative number of students registered Spochalle, and the number of students registered on Sponavi Career and Spochalle Jobchange are also important.

Finally, the timing and content of the disclosure of the new medium-term management plan which will begin in FY12/2025.

This report (financial update) has been prepared at the request of Sportsfield. For details, please refer to the Disclaimer on the last page.

スポーツフィールド (TYO: 7080)

◇Stock Price Trends and Points of Interest

The stock price has fluctuated around 600 to 900 yen since 2023, but it fell below 600 yen on August 2 and 5, when the stock market as a whole fell sharply. Although it rebounded during the period of share buybacks, the 2Q and 3Q results were not enough to provide positive momentum, and the share price remains below 600 yen, in the 570 yen range. Although the double-digit revenue growth in the 3Q is positive, the share price is struggling to find a catalyst for a rise, as profits continue to decline.

If we summarize the points to look out for in the future, the first is whether the company will achieve its full-year earnings forecast. The company's forecast for the full year is likely to be achieved if the strong orders received for the New Graduate Events Business (up 28% YoY in 3Q YTD and up 8% in 3Q alone) contribute to sales in 4Q as expected and this will provide a foothold for growth in the New Graduate Placement business. Furthermore, if the growth of the Graduate Placement Support Business continues, this will also lead to expectations for the FY12/2025 results.

The next thing to look at is the cumulative number of students registered on Sponavi, etc. (KPI for the New Graduate Placement business in March 2026) and the cumulative number of students registered on Spochalle. According to the company's 3Q result announcement materials, both are ahead of the progress made in the year up to March 2025, but we would like to see further growth. We would also like to see an improvement in the sales efficiency of the company's employees who are taking care of these registered users.

Finally, the content of the new medium-term management plan. We hope the necessary measures will be in place to aim for the Prime market while achieving high profitability and sound growth. In addition to expanding business, we would also like to focus on the company's approach to capital allocation, increasing market capitalization, and improving stock liquidity.

Company profile

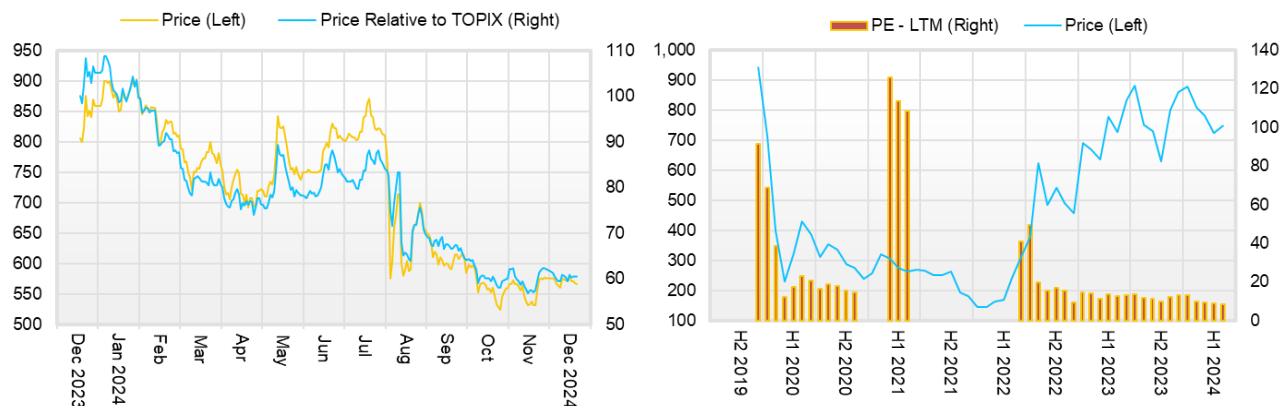
Sportsfield Co., Ltd. operates placement services for student-athletic teams and students with sports experience and placement services for these sports human capital graduates. The company's main businesses are New Graduate Events, New Graduate Placement Support and Graduate Placement Support. The new graduate business is characterised by the detailed support provided by the company's employees to registered students. Financially, the company has achieved growth while maintaining a high operating margin and return on equity.

Key financial data

Unit: million yen	2019/12	2020/12	2021/12	2022/12	2023/12	2024/12 CE
Sales	1,918	1,883	2,130	2,866	3,418	3,749
EBIT (Operating Income)	194	16	-32	637	870	903
Pretax Income	192	32	-81	634	869	902
Net Profit Attributable to Owner of Parent	133	17	-79	412	608	586
Cash & Short-Term Investments	696	972	976	1,458	1,467	
Total assets	1,114	1,501	1,551	2,136	2,323	
Total Debt	334	731	749	630	259	
Net Debt	-362	-241	-226	-828	-1,208	
Total liabilities	684	1,054	1,183	1,356	934	
Total Shareholders' Equity	430	447	368	781	1,389	
Net Operating Cash Flow	198	-89	54	610	449	
Capital Expenditure	53	53	53	53	53	
Net Investing Cash Flow	-25	-32	-68	-7	-68	
Net Financing Cash Flow	150	396	18	-120	-371	
Free Cash Flow	194	-100	3	606	396	
ROA (%)	14.34	1.30	-5.19	22.36	27.27	
ROE (%)	47.31	3.89	-19.42	71.80	56.05	
EPS (Yen)	18.9	2.4	-11.1	57.2	83.7	80.8
BPS (Yen)	61.0	63.3	51.3	107.9	188.7	
Dividend per Share (Yen)	0.00	0.00	0.00	0.00	16.50	16.00
Shares Outstanding (Million shrs)	7.05	7.06	7.17	7.23	7.27	

Source: Omega Investment from company data, rounded to the nearest whole number.

Share price



Quarterly topics

Performance trends

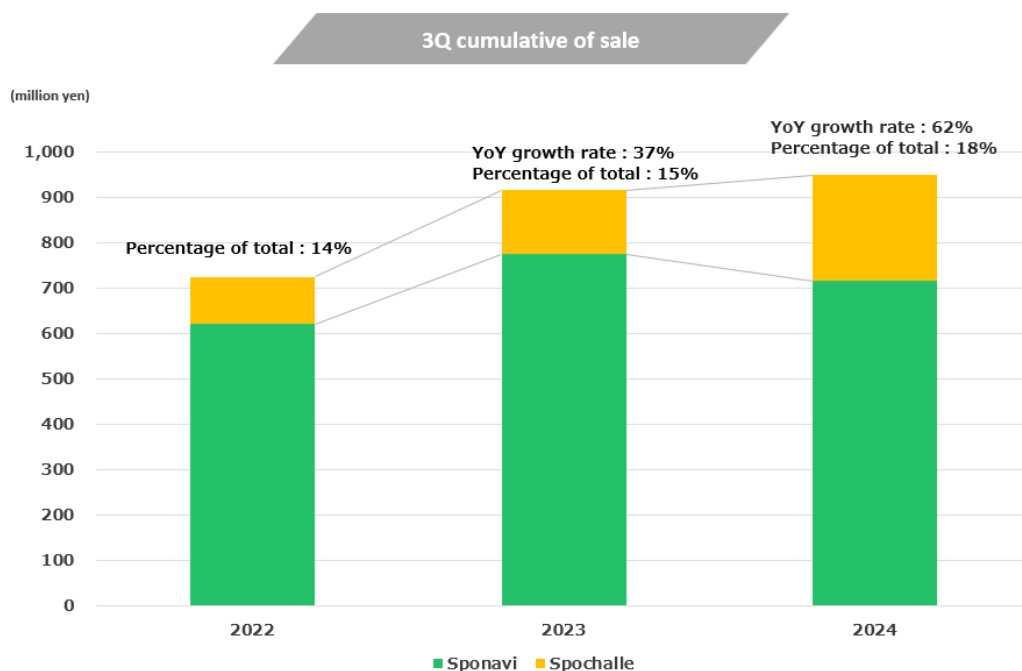
(Reference) Consolidated statement of income by quarter

(million yen)	FY2021					FY2022					FY2023					FY2024		
	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q
Net sales	556	586	500	486	2,130	774	862	609	619	2,866	919	971	698	829	3,418	1,102	953	792
YoY	-4.6%	27.4%	7.4%	30.3%	13.1%	39.1%	47.1%	21.8%	27.4%	34.5%	18.7%	12.7%	14.6%	33.8%	19.3%	19.9%	-1.9%	13.5%
New Graduate Events	374	208	63	199	845	507	267	61	292	1,129	578	267	64	455	1,365	713	240	102
YoY	-7.3%	69.7%	-20.6%	36.8%	12.5%	35.7%	28.0%	-2.4%	46.4%	33.5%	14.0%	0.2%	4.6%	55.6%	21.0%	23.3%	-10.1%	60.0%
New Graduate Placement Support	56	208	288	131	684	79	290	354	119	844	92	426	396	115	1,031	139	414	394
YoY	63.0%	28.6%	2.4%	19.9%	16.5%	41.5%	39.3%	22.9%	-9.0%	23.3%	16.6%	46.7%	12.0%	-3.1%	22.2%	50.5%	-2.7%	-0.6%
Graduate Placement Support	105	148	126	133	513	158	277	164	176	777	213	247	204	228	893	215	270	265
YoY	-21.2%	-9.8%	45.4%	34.6%	6.0%	50.1%	87.1%	30.0%	32.8%	51.3%	34.5%	-10.9%	24.8%	28.9%	15.0%	1.1%	9.4%	29.4%
Other sales	20	20	22	22	86	28	26	29	31	115	34	30	32	30	126	32	27	30
YoY	82.7%	95.7%	23.6%	18.9%	46.1%	38.5%	30.1%	28.8%	38.9%	34.0%	19.9%	12.9%	9.3%	-2.5%	9.5%	-3.9%	-10.2%	-6.5%
Cost of sales	54	23	11	36	126	51	28	14	47	142	65	26	17	53	164	67	22	20
Gross profit	502	562	488	449	2,003	722	833	595	572	2,723	853	944	680	775	3,253	1,034	931	771
SG & A	478	530	515	511	2,035	490	531	525	539	2,086	538	631	595	618	2,384	631	764	688
SG&A to sales ratio	85.9%	90.5%	103.0%	105.2%	95.6%	63.3%	61.7%	86.2%	87.0%	72.8%	58.5%	65.0%	85.3%	74.6%	69.7%	57.3%	80.3%	86.9%
Personnel expenses	329	360	345	350	1,385	332	352	344	340	1,369	340	416	389	399	1,545	399	512	440
Land and rent	41	41	45	46	175	46	46	46	48	188	48	48	49	51	197	52	52	54
Advertising expenses	36	47	44	35	164	45	64	67	75	252	75	81	79	76	313	86	95	96
Others	70	80	80	79	310	65	68	67	75	276	74	85	76	90	327	93	103	96
Operating profit	23	32	-26	-61	-32	232	301	69	32	637	315	312	84	156	869	402	166	83
Ordinary profit	22	32	-27	-62	-35	231	301	68	31	634	314	312	84	156	869	402	165	82

Source: Company materials

New Graduate Placement Support Business

(Reference) Spochalle: YoY growth rate

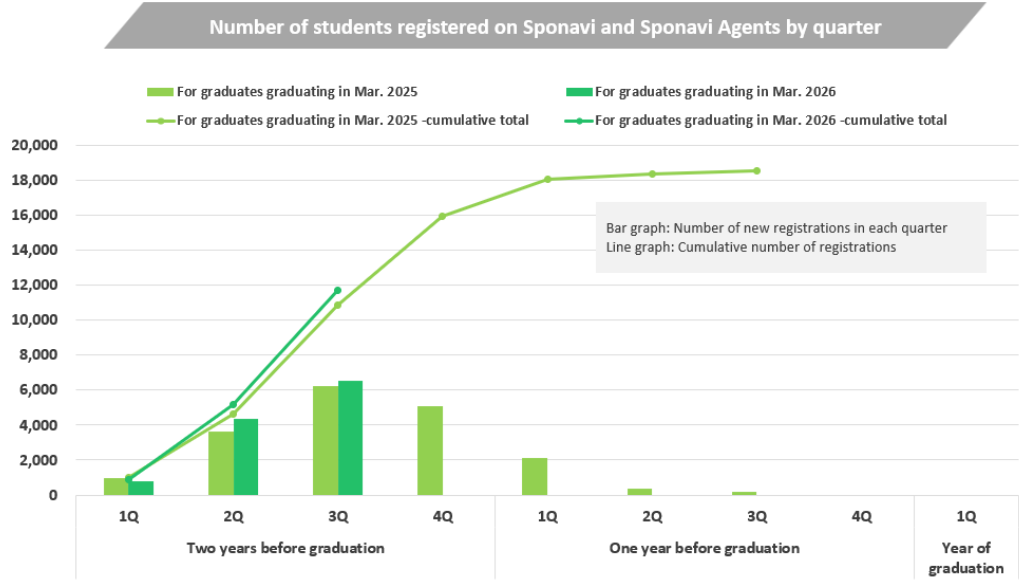


Source: Company materials

Quarterly topics

New Graduate Placement Support Business KPIs for the next fiscal year

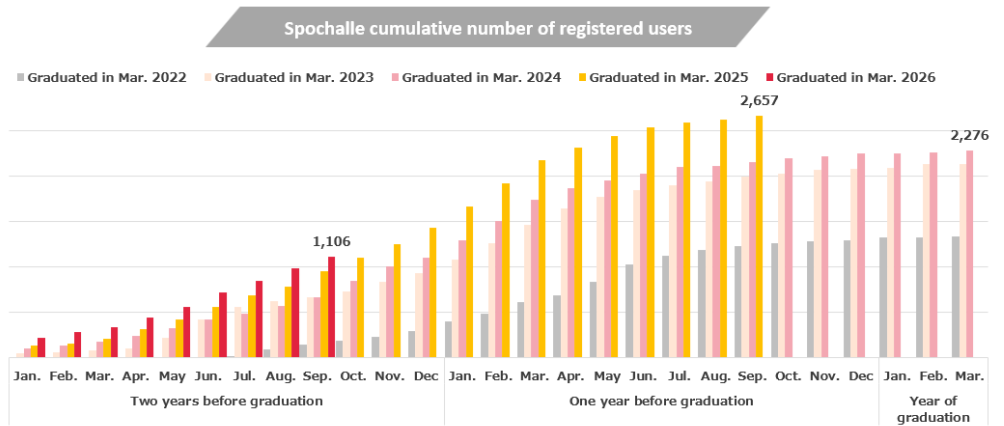
(Reference) Quarterly number of new registrations for graduates graduating in March 2026



Source: Company materials

Spochalle progress

- At the end of September 2024, the total number of registered Spochalle students who will graduate in March 2025 was 2,657, exceeding the number of students who graduated in March 2024 (+25% YoY).
- At the end of September 2024, the total number of registered Spochalle students who will graduate in March 2026 was 1,106, exceeding the number of students who will graduate in March 2025 (+30% YoY).



Source: Company materials

Financial data (quarterly basis)

Unit: million yen	2022/12		2023/12				2024/12		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
(Income Statement)									
Sales	610	620	919	971	698	829	1,102	953	793
Year-on-year	21.8%	27.4%	18.7%	12.7%	14.6%	33.8%	19.9%	-1.9%	13.5%
Cost of Goods Sold (COGS)	19	52	70	32	23	60	74	28	29
Gross Income	591	568	850	940	675	769	1,029	925	764
Gross Income Margin	96.9%	91.6%	92.4%	96.7%	96.7%	92.8%	93.3%	97.1%	96.3%
SG&A Expense	521	535	534	627	590	613	626	759	680
EBIT (Operating Income)	70	33	316	313	85	156	403	166	83
Year-on-year	-361.0%	-152.9%	35.5%	3.7%	22.0%	377.3%	27.7%	-46.9%	-2.2%
Operating Income Margin	11.4%	5.3%	34.3%	32.2%	12.2%	18.9%	36.5%	17.4%	10.5%
EBITDA	74	37	320	318	90	162	409	172	91
Pretax Income	69	32	315	313	85	157	402	166	82
Consolidated Net Income	45	23	206	202	53	147	258	105	50
Minority Interest	0	0	0	0	0	0	0	0	0
Net Income ATOP	45	23	206	202	53	147	258	105	50
Year-on-year	-161.4%	-155.1%	38.3%	3.4%	17.7%	544.6%	25.7%	-47.9%	-5.2%
Net Income Margin	7.4%	3.7%	22.4%	20.8%	7.6%	17.8%	23.4%	11.1%	6.3%
(Balance Sheet)									
Cash & Short-Term Investments	1,509	1,458	1,146	1,462	1,519	1,467	1,600	1,807	1,706
Total assets	2,146	2,136	1,919	2,214	2,257	2,323	2,464	2,598	2,480
Total Debt	669	630	373	329	284	259	234	209	175
Net Debt	-840	-828	-773	-1,133	-1,235	-1,208	-1,365	-1,598	-1,531
Total liabilities	1,388	1,356	932	1,025	1,015	934	938	966	898
Total Shareholders' Equity	758	781	986	1,189	1,242	1,389	1,527	1,632	1,582
(Profitability %)									
ROA	18.36	22.36	25.84	22.66	21.98	27.27	30.16	23.45	23.71
ROE	59.64	71.80	62.45	50.06	48.40	56.05	52.61	40.00	39.76
(Per-share) Unit: JPY									
EPS	6.2	3.2	28.4	27.9	7.3	20.2	35.1	14.3	6.9
BPS	104.8	107.9	135.9	163.8	170.8	188.7	207.4	221.2	218.9
Dividend per Share	0.00	0.00	0.00	0.00	0.00	16.50	16.50	16.50	16.50
Shares Outstanding (million shrs)	7.23	7.23	7.24	7.26	7.27	7.27	7.36	7.38	7.38

Source: Omega Investment from company materials

Financial data (full-year basis)

Unit: million yen	2019/12	2020/12	2021/12	2022/12	2023/12
(Income Statement)					
Sales	1,918	1,883	2,130	2,866	3,418
Year-on-year	26.5%	-1.8%	13.1%	34.5%	19.3%
Cost of Goods Sold	111	130	151	159	184
Gross Income	1,807	1,754	1,979	2,707	3,234
Gross Income Margin	94.2%	93.1%	92.9%	94.4%	94.6%
SG&A Expense	1,613	1,737	2,011	2,070	2,364
EBIT (Operating Income)	194	16	-32	637	870
Year-on-year	52.4%	-91.7%	-300.2%	-2061.9%	36.5%
Operating Income Margin	10.1%	0.9%	-1.5%	22.2%	25.4%
EBITDA	212	36	-6	654	890
Pretax Income	192	32	-81	634	869
Consolidated Net Income	133	17	-79	412	608
Minority Interest	0	0	0	0	0
Net Income ATOP	133	17	-79	412	608
Year-on-year	82.6%	-87.2%	-564.0%	-621.0%	47.5%
Net Income Margin	6.9%	0.9%	-3.7%	14.4%	17.8%
(Balance Sheet)					
Cash & Short-Term Investments	696	972	976	1,458	1,467
Total assets	1,114	1,501	1,551	2,136	2,323
Total Debt	334	731	749	630	259
Net Debt	-362	-241	-226	-828	-1,208
Total liabilities	684	1,054	1,183	1,356	934
Total Shareholders' Equity	430	447	368	781	1,389
(Cash Flow)					
Net Operating Cash Flow	198	-89	54	610	449
Capital Expenditure	5	12	51	3	53
Net Investing Cash Flow	-25	-32	-68	-7	-68
Net Financing Cash Flow	150	396	18	-120	-371
Free Cash Flow	194	-100	3	606	396
(Profitability %)					
ROA	14.34	1.30	-5.19	22.36	27.27
ROE	47.31	3.89	-19.42	71.80	56.05
(Per-share) Unit: JPY					
EPS	18.9	2.4	-11.1	57.2	83.7
BPS	61.0	63.3	51.3	107.9	188.7
Dividend per Share	0.00	0.00	0.00	0.00	16.50
Shares Outstanding (million shrs)	7.05	7.06	7.17	7.23	7.27

Source: Omega Investment from company materials



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