

**S-POOL INC. (2471 JP)****Q3 EARNINGS WERE LARGELY IN LINE DESPITE A SEASONAL WEAKNESS IN HYDROPONIC PLOT SALES****FY21 Q3 RESULTS**

S-Pool Inc. (2471 JP) reported FY21 (Nov year-end) Q3 earnings which were largely in line with the firm's expectation with OP of ¥1,932mil (+23.9% YoY) on sales of ¥18,031mil (+18.1% YoY). Thanks to a diversified business portfolio, S-Pool managed to avoid the negative impact from COVID and reported record Q3 (cumulative) earnings. The firm reported quarterly OP of ¥748mil (+31.7% YoY / -6.1% QoQ) on sales of ¥6,390mil (+16.0% YoY / +2.6% QoQ) in Q3 alone. Although the Q3 OP fell QoQ, the firm reckons that it was still a high achievement despite a seasonal shortfall in sale of hydroponic plots in the Special Needs Employment Support division, which generated an impressive OPM of approx. 80%. Call Centre Staff Dispatch Services saw a boost in sales thanks to an increase in spot mandates associated with the roll out of COVID vaccines. In the firm's other core business, Special Needs Employment Support Services, facilities sales (flow revenue) saw a seasonal dip in sales although order backlog remained at a high level with 300 plots.

The FY21 (Nov year-end) guidance remains unchanged.

S-Pool Inc. (2471 JP) : Results & Forecasts (Cumulative)							
¥mil / Nov yr-end	FY20		FY21				
	2H	FY	1H	Q3	YoY (%)	FYCE	YoY (%)
Sales	11,250	21,009	11,641	18,031	18.1	24,800	18.0
GP	3,502	6,377	3,361	5,280	19.2	7,106	11.4
GPM (%)	31.1	30.4	28.9	29.3	+0.3pp	28.7	-1.7pp
SG&A	2,265	4,148	2,177	3,348	16.7	4,606	11.0
SG&A/Sales (%)	20.1	19.7	18.7	18.6	-0.2pp	18.6	-1.1pp
OP	1,237	2,228	1,184	1,932	23.9	2,500	12.2
OPM (%)	11.0	10.6	10.2	10.7	+0.5pp	10.1	-0.5pp
RP	1,240	2,229	1,197	1,946	25.0	2,488	11.6
NP attributed for the parent's shareholders	892	1,580	780	1,267	22.1	1,635	3.5
EPS (¥)	11.3	20.0	9.9	16.1	22.1	20.7	3.5
Dividend (¥)	n/a	3.3	n/a	n/a	n/a	4.1	24.2
Dividend P/O (%)	n/a	16.5	n/a	n/a	n/a	19.8	n/a

Source: Nippon-IBR based on S-Pool Inc. earnings presentation materials

**BY SEGMENT****Human Resources Solutions [HRS] Segment**

Human Resources Solutions [HRS] FY21 cumulative Q1~Q3 OP rose 11.6% YoY to ¥1,489mil on sales of ¥12,730mil (+13.0% YoY). In Q3 alone, the segment earnings hit a record quarterly earnings with OP of ¥558mil (+1.8% YoY / +7.9% QoQ) on sales of ¥4,525mil (+9.9% YoY / +6.2% QoQ).

Call Centre Staff Dispatch Services, which generates 80% of segment revenue and almost 100% of the segment OP, saw Q1~Q3 cumulative sales came in at ¥10,595mil (+17.8% YoY), with Q3 sales alone hitting a new record of ¥3,871mil (+14.8% YoY / +9.5% QoQ). S-Pool did not actively seek spot businesses associated with the COVID vaccination programme due to aggressive pricing competition. Due to the lower-than-expected vaccination rate during the 1H, spot demand for call centre staff was boosted in Q3, resulting in better pricing. Meanwhile, the firm continued to see steady recurring business, mainly in customer services for smartphones, computer operational systems, food delivery services and so on.

**EXECUTIVE SUMMARY**

- S-Pool Inc. (2471 JP) reported FY21 (Nov year-end) Q3 earnings which were largely in line with the firm's expectation with OP of ¥1,932mil (+23.9% YoY) on sales of ¥18,031mil (+18.1% YoY).
- The Call Centre Staff Dispatch service continued to enjoy strong business momentum both in existing recurring business and new spot business associated with the roll out of the COVID vaccination programme during Q3.
- Special Needs Employment Support Services, which is in the BS segment, saw a seasonal dip in hydroponic facilities sales (flow revenue), falling short of the planned 250 plots.
- S-Pool is guiding for FY21 full-year OP of ¥2,500mil (+12.2% YoY) on sales of ¥24,800mil (+18.0% YoY), notching up its 6<sup>th</sup> consecutive year of record earnings.
- Both new businesses, blue dot green Inc and shared BPO business performed well during Q3. To realise growth opportunities faster, S-Pool transferred authority of shared BPO business to a newly established subsidiary – a sign that management regards the business as a next growth pillar.
- This year's full-year OP guidance only estimates +12.2% YoY growth, i.e., a shortfall compared to 17.5% pa growth estimated under the five-year plan. Upside to this year's OP guidance depends on 1) if the facility sales reaches the revised forecast of 1,110 plots, 2) how quickly new businesses contribute to the consolidated profit.

One of the businesses that was negatively affected by COVID was Sales Support Services which is included in the HRS segment. S-Pool dispatches sales support staff to retailers such as electrical specialist retailers and mobile phone retailers. Many of these electrical retailers operate in urban areas, so were affected by lack of inbound tourism. Mobile phone retailers such as Conexio (9422 JP) and T-Gaia (3738 JP) saw a slow recovery in customer traffic as major mobile carriers rapidly shifted to online promotions. The Sales Support business earned cumulative Q1~Q3 sales of ¥1,328mil (-19.0% YoY). In Q3 alone, sales were ¥372mil (-26.6% YoY / -19.5% QoQ).

### Business Solutions [BS] Segment

The Business Solutions [BS] segment's FY21 Q3 cumulative OP rose 35.3% YoY to ¥1,387mil on sales of ¥5,344mil (+31.8% YoY). The segment OPM improved 0.7ppt YoY to 26.0%.

### Special Needs Employment Support

The Special Needs Employment Support segment saw cumulative Q3 sales of 2,986mil (+34.8% YoY). In Q3 alone, the firm reported the segment sales of ¥992mil (+39.3% YoY / -18.8% QoQ), with 222 plots sold, taking the number of facilities under management to 4,477 plots. Although number of plots sold saw a shortfall compared to the planned 250 plots in Q3 due to low seasonality, S-Pool cumulatively sold total of 696 plots (+22.1% YoY) and earned sales of ¥1,110mil (+30.9% YoY) during Q1~Q3. Furthermore, the recurring revenue earned from farm Facilities Management has been steadily increasing with a low churn rate (0.3% in Q3). Cumulative recurring sales from Facilities Management reached ¥1,565mil (+39.5% YoY). In Q3 alone, recurring revenue was ¥564mil (+38.9% YoY / +9.1% QoQ) which offset a dip in quarterly facilities sales of ¥346mil (+46.0% YoY / -36.5% QoQ).

Special Needs Employment Business: Sales Breakdown (Quarterly)												
(¥ million)	FY20					FY21CE						
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YoY (%)	QoQ (%)	FYCE	YoY (%)
Sale of facilities (flow revenue)	242	369	237	519	1,367	219	545	346	46.0	-36.5	1,645	20.3
Farm management fee (stock revenue)	345	371	406	424	1,546	484	517	564	38.9	9.1	2,247	45.3
Recruitment Fee	66	107	67	181	421	68	158	81	20.9	-48.7	352	-16.4
Special Needs Support Total	654	848	712	1,121	3,335	772	1,222	992	39.3	-18.8	4,240	27.1

Source: S-Pool Inc. FY20 and FY21 1H Earnings Results Presentation Materials

### Logistics Outsourcing Service

Logistics Outsourcing Service reported cumulative Q3 sales of 927mil (+6.9% YoY). The segment saw a dip in profitability in Q2 when a large tenant's business rapidly slowed down due to COVID, and S-Pool terminated the tenancy contract. This led to a temporary decline in existing revenues in Q3 but since the contract was relatively low margin, segment profitability recovered to steadily from Q2's 8% to 15% in August. There were new tenants in addition to the firm's own efforts to improve gross profit margin [GPM].

### Employment Process Support Service, OMUSUBI

Employment Process Support Services reported a record level of quarterly revenue in Q2 as a historical record number of job applications were handled. This was despite restaurants and bars – ca. 30% of the segment's customers – being negatively affected by the SoE closures. However, the segment was negatively affected by the prolonged government-imposed closures in Q3, which led to employers, especially in the hospitality sectors, reluctant to hire new part-timers. As a result, segment sales dipped -1.4% YoY / -26.3% QoQ to ¥137mil, with Q1~Q3 cumulative sales of ¥479mil (+14.7% YoY).

## **FY21 EARNINGS GUIDANCE**

S-Pool is guiding for FY21 full-year OP of ¥2,500mil (+12.2% YoY) on sales of ¥24,800mil (+18.0% YoY), notching up its 6<sup>th</sup> consecutive year of record earnings. Although the two core businesses – the Call Centre Staff Dispatch Service and the Special Needs Employment Service – will likely surpass the firm's current guidance, two risks emerged during Q3. Those are 1) the Sales Support Service within the Business Solutions Segment, and 2) the Employment Support Business OMUSUBI.

### **Human Resources Solutions [HRS] Segment**

The firm is guiding for FY21 HRS segment OP of ¥1,930mil (+9.8% YoY) on sales of ¥17,500mil (+14.8% YoY). Sales of Call Centre Staff Dispatch Services are forecast to rise 13.1% YoY to ¥13,800mil.

The segment earnings risk remains with the Sales Support business which has been negatively affected by the SoE and anti-infection measures. S-Pool is currently guiding for FY21 Sales Support revenue of ¥2,500mil (+15.6% YoY), but any shortfall will likely be offset by solid growth in the segment's core business – the Call Centre Staff Dispatch Service.

The performance of the Call Centre Staff Dispatch Service has been stronger than expected thanks to stable demand from its largest customer, Bellsystem 24 (6183 JP) and an increase in business with other call centre operators. Despite this growth, increases in direct hires by call centre operators will likely lead to less demand for temp staff. S-Pool recognises that relying on one large customer can be a risk, therefore, it is hoping to expand its business with several other call centre operators. Although call centres are always looking to increase direct hires for the technically more complicated tasks, demand for call centre outsourcing will likely continue to remain firm. This is especially true when the hospitality sector starts increasing hires again because there is often an overlap in the attributes of people seeking jobs in the hospitality industry and those looking for jobs in call centres. S-Pool's strength lies in its ability to promptly gather a group of operators and send them out to call centres, therefore this change in status quo could prove to be a continued business opportunity for the firm.

Under the ongoing 5-year medium-term plan that ends in FY25, the firm is guiding for HSR Segment sales of ¥27,500mil (5-yr CAGR 12.5%), and is based on the assumption that the steady growth in its Call Centre Staff Dispatch Services will cushion the risk of a fall in demand for staff dispatch services to its top customer.

### **Business Solutions [BS] Segment**

S-Pool has kept its full year FY21 guidance for the BS Segment at OP of ¥1,873mil (+15.7% YoY) on sales of ¥7,408mil (+27.2% YoY).

### **Special Needs Employment Support**

In Special Needs Employment Services, the firm is guiding for FY21 sales of ¥4,240mil (+27.1% YoY). S-Pool initially planned to open six new farms – the first two farms in the Kansai region (including one indoor farm), two farms in Aichi (of which one is indoor) and two farms in the Kanto region in FY21 – but thanks to favourable reactions to its marketing efforts, one more indoor farm in Tokyo has been added. All seven farms are now fully operational.

Furthermore, to meet the rise in demand for special needs employment, in response to changes in the employment quota, S-Pool is preparing to sell 1,100 plots, up from the original forecast of 1,035 plots. FY21 revenue guidance for Sale of Facilities is set at ¥1,645mil (+20.3% YoY) assuming that 1,035 plots are sold in FY21. Therefore, any extra plot sales will boost earnings further as they garner substantial OPMs of 80%. To meet the original forecast of 1,035 plots, the firm needs to sell an additional 339 plots in Q4. There was an order backlog of more than 300 plots in Q3. In addition, the firm already opened three new farms since the start of Q4. To achieve the revised forecast of 1,100 plots, 400 plots need to be sold. The firm reckons that with three new farms and taking guidance from the enquiries it received, the sale of 400 plots is achievable.

Recurring revenue from Facilities Management is forecast to rise 45.3% YoY to ¥2,247mil thanks to a steady increase in the number of plots under management. The company expects 4,828 plots to be up and running at the end of FY21, assuming 1,035 plots are to be sold this year. Again, any upside in the plot sales will lead to further increase in recurring revenue going forward. In FY22, S-Pool plans to open seven to eight new farms, one of which will be the first farm in Kanagawa Prefecture. The locations are carefully chosen based on demand from corporates as well as availability of special needs job seekers in these areas.

### **Logistics Outsourcing Service**

In FY21, S-Pool is guiding for Logistics Outsourcing Service sales of ¥1,400mil (+19.0% YoY). Unlike FY20, when the utilisation rate peaked at 90%, owning its own warehouse asset will unlikely be high on the agenda during FY21. Given a large though low margin e-commerce tenant has ended its warehousing contract with the company, the more pressing issue will be on how to improve the productivity of the existing capacity while attracting new tenants.

### ***Employment Process Support Service, OMUSUBI***

S-Pool is guiding for FY21 sales of ¥690mil (+22.3% YoY). However, as some customers are yet to see signs of business recovery, they have been less inclined to hire part-timers. The Q3 business trend was weaker than management's already conservative view on hiring demand for the restaurant / hospitality industry. This weakness, however, might be offset by the continued steady demand from drug store chains and supermarkets. Furthermore, with reopening under way, the firm has already observed signs of recovery in hiring in the hospitality sector.

### **New Business – Environment Management Support Service via blue dot green Inc.**

S-Pool consolidated carbon offset solution provider blue dot green Inc in 2020. Its current core business is to trade carbon credits with companies that are aiming for net zero carbon emissions. EU carbon emission credits [EU-ETS] hit €55/CO<sub>2</sub> tonne in May 2021, surpassing the previous record of €50/CO<sub>2</sub> tonne. During CY21 1H, EU-ETS doubled. The subsidiary's sales drastically fell short of target in 1H because it failed in its bid to win carbon credit bids in the rising carbon emission credit price. In Q3, however, consultancy demand from Japanese listed companies requested to disclose their environmental measures by Carbon Disclosure Project [CDP] has rapidly surged for blue dot green Inc. CDP is a UK-based non-profit organisation that researches and evaluates global listed companies' measures in tackling environmental problems, such as greenhouse gas [GHG] and carbon emissions mainly for ESG funds. To date, 500 listed companies in Japan were contacted by CDP, of which 35% have not yet begun the preparation process. Here, blue dot green Inc. offers consulting services to some of these firms, helping them prepare their carbon disclosure. As a result, cumulative Q3 sales reached ¥221mil, nearly 95% of the annual sales target of ¥235mil. The subsidiary is aiming to expand the consulting service, which is more profitable than carbon trading, for companies that need to prepare Task Force Climate-Related Financial Disclosures [TCFD] for the TSE's prime market listing.

The firm is guiding for FY21 segment sales of ¥235mil, a substantial jump from 1H sales of ¥81mil. In FY21, this new business is expected to break even on sales of ¥235mil, however, thanks to a change in sales mix, the subsidiary's OP will likely overshoot the forecast. In Q1, the subsidiary made an operating loss of ¥5mil on sales of ¥40mil. Up to Q2, 90% of sales was generated from carbon credit broking and 10% from consulting. Sales from consulting CDP reporting were all reported in Q3, which will likely change the sales split with more than 40% coming from consulting. Its main customers include Japanese EPCOS, airlines and manufacturers. However, S-Pool reckons that the subsidiary will need to focus on consulting and research work, such as preparation for CDP and TCFD submission, to become profitable.

### **New Business – Shared BPO, a newly established subsidiary**

S-Pool started a shared business process outsourcing [BPO] service to a group of local governments in Hokkaido. The business has been rapidly expanding to Aomori and Akita prefectures. The firm has its own call centre in the Kitami City, Hokkaido, and Hirosaki in Aomori, where it has taken on COVID-related local government work. While the surrounding towns and cities also have their own unique outsourcing demands, many of the tasks are too small for larger BPO companies to handle. Therefore, S-Pool came up with the idea of a shared BPO service in which a group of local governments in close proximity can use the shared BPO centre for tasks such as tax collection, hazard prevention, childminding, medical and lifeline infrastructure etc. S-Pool is anticipating around 100 towns and cities with a population between 5,000 and 100,000 residents, out of 1,343 in the Kitami City area, to use the shared BPO service. Also, those towns and cities typically have less than 1x job offers-to-applicants ratio which means S-Pool can hire local people to work in its centres. Given the multitude of tasks local governments undertake, the firm reckons there will be a steady flow of business from this service.

S-Pool announced the launch of a new 100% subsidiary specialising in the shared BPO business together with Q3 results. The shared BPO business has already earned sales of ¥78mil and due to the service utilising facilities and idling human resources of OMUSUBI business, OPM reached as high as 40%. S-Pool reckons that even without using OMUSUBI resources, the shared BPO business can earn 20~30% OPM going forward. The firm estimates that one shared BPO centre could earn up to ¥100mil per annum. Contributions from the shared BPO business is not included in FY21 earnings forecast due to prior investment and depreciation costs, nor in the ongoing medium-term plan target (to FY25).

From FY22, S-pool plans to open one BPO centre per month. With enquiries to the service rapidly increasing, management sees this business as the next potential pillar of growth. Transferring the authority to the new subsidiary will speed up the decision making process.

## FIVE-YEAR MEDIUM-TERM MANAGEMENT PLAN

S-Pool announced a new medium-term plan starting FY21 to FY25. In the final year of the plan, the firm aims to achieve OP of ¥5,000mil (CAGR of 17.5%) on sales of ¥41,000mil (CAGR of 14.3%). This year's full-year OP guidance only estimates +12.2% YoY growth, i.e., a shortfall compared to 17.5% pa growth estimated under the five-year plan. Upside to this year's OP guidance depends on 1) if the facility sales reach the revised forecast of 1,110 plots, and 2) how quickly new businesses contribute to the consolidated profit.

FY21 Guidance and 5-Year Medium-Term Management Plan					
(¥mil)	FY20	FY21CE	YoY (%)	FY25CE	5-yr CAGR (%)
HRS Segment Sales	15,250	17,500	14.8	27,500	12.5
Call Centre	12,201	13,800	13.1	n/a	n/a
Sales Support	2,162	2,500	15.6	n/a	n/a
Others	887	1,200	35.3	n/a	n/a
Segment OP	1,757	1,930	9.8	3,000	11.3
OPM (%)	11.5	11.0	-0.5pp	10.9	n/a
BS Segment Sales	5,825	7,408	27.2	11,800	15.2
Special Needs	3,335	4,240	27.1	8,000	19.1
Logistics	1,172	1,400	19.5	2,500	16.4
OMUSUBI	564	690	22.3	1,500	21.6
blue dot green Inc.	n/a	235	n/a	1,000	n/a
Segment OP	1,619	1,873	15.7	3,900	19.2
OPM (%)	27.8	25.3	-2.5pp	33.1	n/a
Sales	21,009	24,800	18.0	41,000	14.3
HQ costs	1,148	1,303	13.5	1,900	n/a
OP	2,228	2,500	12.2	5,000	17.5
OPM (%)	10.6	10.1	-0.5pp	12.2	n/a

Source: Nippon-IBR based on S-Pool Inc.'s presentation materials

## SALES AND OP BY SEGMENT

S-Pool Inc. (2471): Segment Sales and Operating Profit (Cumulative)											
¥million)		FY19	FY20			FY21CE					
		FY	1H	Q3	FY	Q1	1H	Q3	YoY (%)	FYCE	YoY (%)
HRS	Call Centres	9,518	5,624	8,997	12,200	3,188	6,724	10,595	17.8	13,800	13.1
	Sales Support	2,492	1,132	1,640	2,162	494	956	1,328	-19.0	2,500	15.6
	Others	505	386	625	887	261	525	807	29.1	1,200	35.3
	Segment Total	12,516	7,142	11,261	15,250	3,943	8,205	12,730	13.0	17,500	14.8
	Segment OP	1,182	786	1,334	1,757	414	931	1,489	11.6	1,930	9.8
	Segment OPM (%)	9.5	11.0	11.9	11.5	10.5	11.3	11.7	-0.2pp	11.0	-0.5pp
BS	Special Needs	2,766	1,503	2,215	3,335	772	1,994	2,986	34.8	4,240	27.1
	Logistics	1,095	562	867	1,172	287	599	927	6.9	1,400	19.5
	Sales Support	517	197	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	OMUSUBI	437	277	418	564	155	342	479	14.6	690	22.3
	Prof. HR Bank	235	93	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Total Segment Sales	5,043	2,644	4,054	5,825	1,477	3,458	5,344	31.8	7,408	27.2
	Segment OP	1,514	740	1,025	1,619	274	880	1,387	35.3	1,873	15.7
	Segment OPM (%)	30.0	28.0	25.3	27.8	18.6	25.4	26.0	+0.7pp	25.3	-2.5pp
Total	Sales	17,559	9,787	15,315	21,075	5,420	11,641	18,074	18.0	24,908	18.2
	OP	2,696	1,527	2,359	3,376	688	1,811	2,876	21.9	3,803	12.6
Adjustment	Sales	-37	-27	-47	-65	-9	-22	-42	-10.6	-108	n/a
	OP	-1,093	-536	-801	-1,148	-302	-628	-944	17.9	-1,303	n/a
Value as in P&L	Sales	17,522	9,759	15,268	21,009	5,410	11,641	18,031	18.1	24,800	18.0
	OP	1,604	991	1,559	2,228	387	1,184	1,932	23.9	2,500	12.2
	OPM (%)	9.2	10.2	10.2	10.6	7.2	10.2	10.7	+0.5pp	10.1	-0.5pp

Source: Nippon Investment Bespoke Research UK Ltd based on publicly available information on S-Pool Inc.

S-Pool Inc. (2471): Segment Sales and Operating Profit (Quarterly)												
¥million)		FY19		FY20				FY21				
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	YoY (%)	QoQ (%)
HRS	Call Centres	2,447	2,649	2,708	2,916	3,373	3,203	3,188	3,536	3,871	14.8	9.5
	Sales Support	651	576	576	556	507	523	494	462	372	-26.6	-19.5
	Others	145	159	178	208	239	263	261	264	282	18.0	6.8
	Total segment sales	3,242	3,384	3,462	3,680	4,119	3,988	3,943	4,262	4,525	9.9	6.2
	Segment OP	343	249	352	434	548	423	414	517	558	1.8	7.9
	Segment OPM (%)	10.6	7.4	10.2	11.8	13.3	10.6	10.5	12.1	12.3	-1.0pp	+0.2pp
BS	Special Needs	647	859	654	848	712	1,121	772	1,222	992	39.3	-18.8
	Logistics	240	265	252	310	303	307	287	312	328	8.3	5.1
	Sales Promotion Support	115	136	140	57	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	OMUSUBI	113	125	123	154	139	148	155	187	137	-1.4	-26.7
	Professional HR Bank	57	64	53	40	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Total segment sales	1,170	1,448	1,222	1,422	1,410	1,771	1,477	1,981	1,886	33.8	-4.8
	Segment OP	369	472	307	433	285	594	274	606	507	77.9	-16.3
	Segment OPM (%)	31.5	32.6	25.1	30.5	20.2	33.5	18.6	30.6	26.9	+6.7pp	-3.7pp
	Total	Sales	4,412	4,832	4,684	5,102	5,529	5,760	5,420	6,243	6,433	16.4
OP	712	722	659	867	833	1,017	688	1,123	1,065	27.9	-5.2	
Adjustment	OP	-271	-320	-272	-264	-265	-347	-302	-326	-316	n/a	n/a
Total as in PL	Sales	4,403	4,822	4,675	5,085	5,508	5,741	5,410	6,231	6,390	16.0	2.6
	OP	440	400	386	605	568	670	387	797	748	31.7	-6.1
	OPM (%)	10.0	8.3	8.3	11.9	10.3	11.7	7.2	12.8	11.7	+1.4pp	-1.1pp

Source: Nippon Investment Bespoke Research UK Ltd based on publicly available information on S-Pool Inc.

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