

## Summary of Non-Consolidated Financial Results For the First Quarter Ended May 31, 2015 [Japan GAAP]

Name of Company: CAREERLINK CO., LTD.  
 Stock Code: 6070  
 Stock Exchange Listing: Tokyo Stock Exchange, First Section  
 URL: <http://www.careerlink.co.jp/>  
 Representative Title: President & Representative Director / President & Executive Officer  
 Name: Motoaki Narusawa  
 Contact Person Title: Director / Senior Executive Officer, and General Manager of Administration Division, General Planning Department and Administration Department  
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 Date of quarterly securities report (tentative): July 15, 2015  
 Date of commencement of dividend payment (tentative): -  
 Quarterly earnings supplementary explanatory documents: None  
 Quarterly earnings presentation: None

(Yen in millions, rounded down)

### 1. Financial results for the first quarter of the fiscal year ending February 2016 (March 1, 2015 – May 31, 2015)

(1) Result of operations (Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter ended May 2015	3,873	34.6	189	63.6	184	62.6	116	72.9
First quarter ended May 2014	2,878	(16.1)	115	(39.8)	113	(39.8)	67	(40.0)

	Net income per share		Net income per share fully diluted	
	Yen		Yen	
First quarter ended May 2015	18.49		18.49	
First quarter ended May 2014	10.87		10.71	

(2) Financial Position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of May 31, 2015	4,930		2,183		44.3	
As of February 28, 2015	5,314		2,194		41.3	

Notes: Shareholders' equity

As of May 31, 2015: 2,183 million yen As of February 28, 2015 2,194 million yen

### 2. Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Full year
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 2015	-	0.00	-	16.00	16.00
Fiscal year ending February 2016	-				
Fiscal year ending February 2016 (est.)		0.00	-	18.00	18.00

Note: Change in the estimation of dividend from the latest announcement: None

Breakdown of year-end dividend for the fiscal year ended February 28, 2015:

Ordinary dividend: 14.00 yen; commemorative dividend: 2.00 yen

### 3. Forecast for the fiscal year ending February 2016 (March 1, 2015 - February 29, 2016)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	7,731	19.2	455	11.4	448	10.5	268	11.9	42.88
Full year	16,368	17.4	951	14.4	938	14.2	562	15.4	89.80

Note: Change in the forecast from the latest announcement: None

#### \* Notes

(1) Use of accounting methods specifically for the preparation of the quarterly financial statements: None

(2) Changes in accounting principles and estimates, and retrospective restatement

(a) Changes due to revision of accounting standards: None

(b) Changes other than in (a): None

(c) Changes in accounting estimates: None

(d) Retrospective restatement: None

(3) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury shares)

As of May 31, 2015: 6,277,900 As of February 28, 2015: 6,277,900

(b) Treasury shares

As of May 31, 2015: 14,734 As of February 28, 2015: 34

(c) Average number of shares (first quarter)

Period ended May 31, 2015: 6,275,789 Period ended May 31, 2014: 6,175,766

Note: Treasury shares and treasury shares deducted from the calculation of average number of shares as of May 31, 2015 include 14,700 shares held by Trust & Custody Services Bank, Ltd. (trust account E) for the employee stock ownership plan (J-ESOP).

#### \* Description of quarterly review procedure implementation status

The rule mandating a review of quarterly financial statements (under the Financial Instruments and Exchange Act) does not apply to this Summary of Financial Results.

It has not been completed the quarterly review procedure process based upon the Financial Instruments and Exchange Act at the time of disclosure of this report.

#### \* Cautionary statement regarding forecasts of operating results and special notes

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. These statements are not promises by the Company regarding future performance. Actual results may differ significantly from these statements for a number of reasons. For information about the forecasts, please see "(3) Forecast for the current fiscal year" on page 3.

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## 1. Results of Operations

### (1) Overview on business performance

#### 1) First quarter summary

In the first quarter of the current fiscal year, the Japanese economy recovered slowly due to the benefits of government economic stimulus measures and monetary easing by the Bank of Japan. Corporate earnings improved and there were signs of a rebound in consumer spending and capital expenditures.

Overseas, the U.S. economy continued to recover with consumer spending remaining solid as unemployment declined. The economy is recovering in the eurozone, too. However, economic growth continued to slow in China and other emerging countries. As a result, the outlook for the global economy is still unclear.

Japan's human resource services sector is benefiting from Japan's slow economic recovery. The number of jobs continues to increase and there is growth in demand for services involving employment. Despite these favorable conditions, hiring people is becoming increasingly difficult. For example, there are severe shortages of workers in some industries, notably construction, manufacturing, and food and beverage services.

Due to continuing growth in orders in the business process outsourcing (BPO) business, first quarter sales totaled 3,873,300 thousand yen, 34.6% higher than one year earlier. Operating income increased 63.6% to 189,246 thousand yen, ordinary income increased 62.6% to 184,182 thousand yen and net income increased 72.9% to 116,039 thousand yen.

#### 2) Business Segments

##### (a) Business Process Outsourcing

Sales increased 51.7% to 2,377,276 thousand yen. One reason is the steady growth of a new activity at a large ongoing BPO project in the Tokyo area. The receipt of orders for new BPO projects also contributed to the growth in sales.

##### (b) Customer Relationship Management

Sales increased 11.4% to 830,425 thousand yen. There was a recovery in new orders, mainly in the Tokyo and Sendai areas, because of sales activities targeting contact center and other new business. However, orders from telemarketing companies were soft.

##### (c) Manufacturing and Technology

Sales increased 25.4% to 392,622 thousand yen. Orders from pharmaceutical manufacturers continued to climb and there was growth in orders from manufacturers of machinery parts, motorcycles, and other products.

##### (d) Office Services

Sales increased 8.2% to 272,975 thousand yen. The recovery in demand for office workers was strong in some parts of Japan and weaker in others. Sales were higher mainly because of new orders in the Fukuoka area from companies in the catalog sales and e-commerce sectors.

(2) Overview of financial condition

(Assets)

Total assets were 4,930,583 thousand yen at the end of the first quarter, 384,251 thousand yen less than at the end of the previous fiscal year. The major changes were decreases of 368,544 thousand yen in cash and deposits and 38,696 thousand yen in notes and accounts receivable-trade.

(Liabilities)

Liabilities were 2,746,595 thousand yen at the end of the first quarter, 373,337 thousand yen less than at the end of the previous fiscal year. Long-term loans (including the current portion) increased 143,858 thousand yen and bonds (including the current portion) increased 130,000 thousand yen. Income taxes payable decreased 353,272 thousand yen, accounts payable-other decreased 154,738 thousand yen, the provision for bonuses decreased 48,851 thousand yen and short-term loans decreased 36,000 thousand yen.

(Net assets)

Net assets were 2,183,987 thousand yen at the end of the first quarter, 10,914 thousand yen less than at the end of the previous fiscal year. Retained earnings increased 116,039 thousand yen but net assets were reduced by dividend payments of 100,445 thousand yen and a 26,901 thousand yen increase in treasury stock (decrease in net assets) in association with the establishment of a trust to provide stock to an employee stock ownership plan.

(3) Forecast for the current fiscal year

There are no revisions to the forecast announced on April 14, 2015 for the fiscal year ending in February 2016.

## 2. Other Information

(Supplementary information)

(Allowance for retirement benefits)

In prior years, Careerlink had a lump-sum retirement payment system and a defined-contribution pension system. On May 28, 2015, the lump-sum retirement payment system was terminated. For the accounting treatment of this termination, Careerlink used Guidance on Accounting for Transfers between Retirement Benefit Plans (ASBJ Guidance No. 1, January 31, 2002). Due to the termination of the lump-sum retirement payment system, retirement benefit liabilities of 15,900 thousand yen that existed up to the May 28, 2015 termination date are now classified as long-term accounts payable and included in "other" in long-term liabilities.

(Use of trust to supply Careerlink stock to employees and others)

1. Summary

At the board meeting held on March 13, 2015, board of directors approved a resolution to establish an employee stock ownership plan (J-ESOP) as a new incentive plan for employees. The J-ESOP is structured to distribute Careerlink stock, based on stock distribution rules determined by Careerlink in advance, to full-time employees, including executive officers, who fulfill certain requirements.

Full-time employees receive points that are based on their contributions to the company's performance. Once an employee obtains the right to receive stock by meeting the requirements, Careerlink stock is distributed in proportion to the number of points the employee has received. The stock to be distributed is purchased in advance by a trust established for this purpose and the stock is managed separately as trust assets until distribution. Careerlink believes that this J-ESOP will make full-time employees more motivated to play a role in increasing the company's stock price and earnings, thereby giving them even more reason to do their jobs well.

2. Accounting treatment for the distribution of stock using the J-ESOP trust

The accounting treatment for the distribution of stock using the trust is based on Practical Solution on Transactions of Delivering the Company's Own Stock to Employees, etc. through Trusts (PITF No. 30, December 25, 2013 (Announced portion)).

3. Item concerning Careerlink stock held by the J-ESOP trust

Careerlink stock held by the trust is shown as treasury stock in net assets and valued by using the trust's book value (excluding associated expenses). At the end of the first quarter, the trust held 14,700 shares of company stock with a book value of 26,901 thousand yen.

### 3. Quarterly Financial Statements

#### (1) Quarterly balance sheet

(Thousand yen)

	Fiscal year ended February 2015 (As of February 28, 2015)	First quarter ended May 2015 (As of May 31, 2015)
<b>ASSETS</b>		
Current assets		
Cash and deposits	3,173,671	2,805,127
Notes and accounts receivable-trade	1,510,493	1,471,797
Work in process	46,696	50,995
Supplies	4,021	4,810
Other	168,258	80,383
Allowance for doubtful accounts	(457)	(442)
Total current assets	4,902,684	4,412,670
Noncurrent assets		
Property, plant and equipment	95,039	95,057
Intangible assets	130,570	134,468
Investments and other assets	186,540	288,386
Total noncurrent assets	412,149	517,912
Total assets	5,314,834	4,930,583
<b>LIABILITIES</b>		
Current liabilities		
Short-term loans payable	48,000	12,000
Current portion of bonds	127,000	170,000
Current portion of long-term loans payable	190,592	258,236
Accounts payable - other	994,725	839,986
Income taxes payable	362,133	8,861
Provision for bonuses	70,778	21,927
Other	842,375	788,831
Total current liabilities	2,635,604	2,099,843
Noncurrent liabilities		
Bonds payable	147,000	234,000
Long-term loans payable	255,715	331,929
Provision for retirement benefits	16,200	-
Asset retirement obligations	40,484	40,609
Other	24,928	40,214
Total noncurrent liabilities	484,328	646,752
Total liabilities	3,119,933	2,746,595
<b>NET ASSETS</b>		
Shareholder's equity		
Capital stock	388,005	388,005
Capital surplus	234,364	234,364
Retained earnings	1,571,604	1,587,198
Treasury shares	(18)	(26,919)
Total shareholder's equity	2,193,956	2,182,649
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	944	1,337
Total valuation and translation adjustments	944	1,337
Total net assets	2,194,901	2,183,987
Total liabilities and net assets	5,314,834	4,930,583

(2) Quarterly statements of income  
(For the first quarter)

(Thousand yen)

	First quarter ended May 2014 (March 1, 2014 – May 31, 2014)	First quarter ended May 2015 (March 1, 2015 – May 31, 2015)
Net sales	2,878,023	3,873,300
Cost of sales	2,287,693	3,097,155
Gross profit	590,329	776,144
Selling, general and administrative expenses	474,688	586,897
Operating income	115,641	189,246
Non-operating income		
Interest income	6	10
Dividend income	5	11
Commission fee	-	85
Interest on refund	1,063	-
Total non-operating income	1,075	107
Non-operating expenses		
Interest expenses	2,995	2,520
Amortization of bond issuance cost	-	1,864
Other	463	787
Total non-operating expenses	3,459	5,172
Ordinary income	113,256	184,182
Income before income taxes	113,256	184,182
Income taxes-current	32,256	3,018
Income taxes-deferred	13,891	65,124
Total income taxes	46,147	68,142
Net income	67,108	116,039

(3) Notes to quarterly financial statement  
(Notes to going concern assumptions)  
None

(Significant change in shareholders' equity)  
None

(Segment information, etc.)

The information is omitted because the company has single segment that is comprehensive human resource services business.