

## Summary of Non-Consolidated Financial Results For the First Half Ended August 31, 2014 [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  
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 Date of quarterly securities report (tentative): October 15, 2014  
 Date of commencement of dividend payment (tentative): -  
 Quarterly earnings supplementary explanatory documents: Yes  
 Quarterly earnings presentation: Yes (for institutional investors and analysts)

(Yen in millions, rounded down)

### 1. Financial results for the first half of the fiscal year ending February 2015 (March 1, 2014 – August 31, 2014)

(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 half ended Aug. 2014	6,486	2.7	409	43.8	406	46.3	240	45.7
First half ended Aug. 2013	6,314	(31.6)	284	(28.5)	277	(26.4)	164	(22.5)

	Net income per share		Net income per share fully diluted	
	Yen		Yen	
First half ended Aug. 2014	38.85		38.33	
First half ended Aug. 2013	28.71		26.46	

### (2) Financial Position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of August 31, 2014	4,487		1,945		43.3	
As of February 28, 2014	3,389		1,786		52.7	

Notes: Shareholders' equity

As of August 31, 2014: 1,945 million yen As of February 28, 2014 1,786 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 2014	-	0.00	-	14.00	14.00
Fiscal year ending February 2015	-	0.00			
Fiscal year ending February 2015 (est.)			-	16.00	16.00

Note: Change in the estimation of dividend from the latest announcement: Yes

The forecast of 16 yen for the FY2/15 year-end dividend is the sum of an ordinary dividend of 14 yen and a commemorative dividend of 2 yen.

More information about the dividend forecast revision is provided in the press release dated September 30, 2014 titled "Notice of Dividend Forecast Revision (Commemorative Dividend) for Fiscal Year Ending February 2015."

### 3. Forecast for the fiscal year ending February 2015 (March 1, 2014 - February 28, 2015)

(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
Full year	13,654	17.7	729	145.5	720	154.5	426	163.5	68.63

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 stock)

As of August 31, 2014: 6,247,400 As of February 28, 2014: 6,175,800

(b) Treasury stock

As of August 31, 2014: 34 As of February 28, 2014: 34

(c) Average number of shares (first half)

Period ended August 31, 2014: 6,184,182 Period ended August 31, 2013: 5,744,333

\* 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

(Note regarding the forward-looking statements)

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. 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.

(To receive supplementary information about first half results of operations)

Supplementary information about results of information will be posted promptly on the company's website after the information meeting.

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## 1. Results of Operations

### (1) Overview on business performance

#### 1) First half summary

In the first half of the fiscal year, the Japanese economy recovered slowly because of an improvement in corporate earnings. But the economy was negatively affected by the drop in demand following the rush to buy before the April 2014 consumption tax hike, soft consumer spending due to unfavorable summer weather and other reasons, and weakness in the manufacturing sector.

Overseas, economies improved in the United States and other developed countries but economic growth slowed in China and other emerging countries. In addition, geopolitical risks are increasing due to turmoil in the Middle East and Ukraine. Overall, the outlook for the global economy is still unclear.

The business climate for Japan's human resources industry is benefiting from a steady improvement in the number of jobs as the economy recovers slowly. For example, the ratio of job openings to job seekers is increasing, mainly because of companies seeking additional employees. However, recruiting employees is becoming increasingly difficult because of the severe shortage of workers in the construction, manufacturing, restaurant and many other industries. Proposed amendments to Japan's Temporary Staffing Services Law that are to be enacted in the spring of 2015 will be submitted again to the fall session of Japan's parliament and are expected to be approved at that time.

In the first half, orders for business process outsourcing services were higher than expected but sales were affected by the end in the previous fiscal year of a large public-sector business process outsourcing project. As a result, first half sales were 6,486,531 thousand yen, up 2.7% from one year earlier. There was a big improvement in the gross profit margin that was primarily attributable to higher efficiency at a large business process outsourcing project. Operating income increased 43.8% to 409,226 thousand yen, ordinary income increased 46.3% to 406,039 thousand yen and net income increased 45.7% to 240,228 thousand yen.

#### 2) Business Divisions

##### (a) Business Process Outsourcing

An additional order involving a large private-sector project that was to have started earlier began as planned in this fiscal year. In addition, the growth in orders from private-sector business process outsourcing companies was more than expected. Orders for business processes for one-time payments (payments for raising children and to low-income individuals in association with the consumption tax hike) and public-sector business process outsourcing orders, such as for activities to encourage people to register for the public pension system, also contributed to the performance. Although division performance was impacted by the completion in the previous fiscal year of a large public-sector business process outsourcing project, division sales increased 9.6% from one year earlier to 3,822,672 thousand yen.

##### (b) Customer Relationship Management

Current contact center contracts continued to perform well and there was a slow recovery in new orders from telemarketing companies. But the end of a staffing contract for a large contact center where there was a large volume of work caused division sales to decline 18.0% from one year earlier to 1,506,001 thousand yen.

##### (c) Office Services

The recovery in orders for general office work, such as the operation of office equipment, is still in an early stage. Although there were activities to capture new office staffing contracts from financial institutions and other companies, division sales were basically unchanged, decreasing 0.3% from one year earlier to 483,586 thousand yen.

##### (d) Manufacturing and Technology

Orders from manufacturers of pharmaceuticals and other products were strong. In addition, sales activities focused on capturing a larger share of orders from meat processing companies, machine parts manufacturers and other companies. Due to these activities, division sales increased 33.9% from one year earlier to 674,270 thousand yen.

(2) Overview of financial condition

(a) Assets, liabilities and net assets

(Assets)

Total assets were 4,487,659 thousand yen at the end of the first half, 1,097,773 thousand yen more than at the end of the previous fiscal year. The major changes were increases of 870,488 thousand yen in cash and deposits and 504,655 thousand yen in notes and accounts receivable and decreases of 160,631 thousand yen in consumption taxes receivable and 114,566 thousand yen in tax refunds receivable.

(Liabilities)

Liabilities increased 939,008 thousand yen to 2,542,491 thousand yen. There were increases of 302,480 thousand yen in accounts payable-other, 198,196 thousand yen in income taxes payable, 270,418 thousand yen in consumption taxes payable, 68,441 thousand yen in accrued expenses and 45,814 thousand yen in advances received. Bonds decreased 62,500 thousand yen.

(Net assets)

Net assets increased 158,765 thousand yen to 1,945,168 thousand yen. This was mainly the net result of a 240,228 thousand yen increase in retained earnings and dividend payments of 86,460 thousand yen.

(b) Cash flows

Cash and cash equivalents at the end of the first half totaled 2,391,472 thousand yen, 152,441 thousand yen more than at the end of the previous fiscal year.

(Operating activities)

Net cash provided by operating activities was 1,006,801 thousand yen. Major sources of cash were income before income taxes of 406,039 thousand yen, an increase of 294,813 thousand yen in accounts payable-other, 429,402 thousand yen (net) from consumption taxes payable and receivable (268,770 thousand yen increase in consumption taxes payable and 160,631 thousand yen increase in consumption taxes receivable), an income tax refund of 123,609 thousand yen, and a 262,581 thousand yen increase in accounts payable-other and advances received, while 504,655 thousand yen increase in notes and accounts receivable-trade.

(Investing activities)

Net cash used in investing activities was 51,378 thousand yen. The primary uses of cash were payments of 25,322 thousand yen for intangible fixed assets and payments of 16,000 thousand yen for time deposits.

(Financing activities)

Net cash used in financing activities was 143,934 thousand yen. There were proceeds of 36,000 thousand yen from short-term loans and 100,000 thousand yen from long-term loans. Major uses of cash were payments of 134,983 thousand yen for the repayment of long-term loans, 62,500 thousand yen for the redemption of bonds and 86,001 thousand yen for cash dividends paid.

(3) Forecast for the current fiscal year

There are no revisions to the forecast announced on September 22, 2014 for the fiscal year ending in February 2015.

**2. Other Information**

None

### 3. Quarterly Financial Statements

#### (1) Quarterly balance sheet

(Thousand yen)

	Fiscal year ended February 2014 (As of February 28, 2014)	First half ended August 2014 (As of August 31, 2014)
<b>ASSETS</b>		
Current assets		
Cash and deposits	1,579,983	2,450,472
Notes and accounts receivable-trade	987,340	1,491,995
Work in process	46,438	76,680
Supplies	1,484	4,430
Income taxes receivable	114,566	-
Other	298,344	110,255
Allowance for doubtful accounts	(581)	(463)
Total current assets	3,027,576	4,133,370
Noncurrent assets		
Property, plant and equipment	82,567	79,999
Intangible assets	61,410	83,584
Investments and other assets		
Other	218,849	191,647
Allowance for doubtful accounts	(518)	(943)
Total investments and other assets	218,331	190,704
Total noncurrent assets	362,308	354,288
Total assets	3,389,885	4,487,659
<b>LIABILITIES</b>		
Current liabilities		
Short-term loans payable	12,000	48,000
Current portion of bonds	129,000	113,000
Current portion of long-term loans payable	224,228	192,643
Operating accounts payable	573,865	876,346
Income taxes payable	-	198,196
Provision for bonuses	51,086	61,905
Asset retirement obligations	1,185	1,185
Other	116,729	600,732
Total current liabilities	1,108,095	2,092,009
Noncurrent liabilities		
Bonds payable	174,000	127,500
Long-term loans payable	246,500	243,102
Provision for retirement benefits	14,550	15,600
Asset retirement obligations	35,408	38,252
Other	24,928	26,028
Total noncurrent liabilities	495,387	450,482
Total liabilities	1,603,482	2,542,491

(Thousand yen)

	Fiscal year ended February 2014 (As of February 28, 2014)	First half ended August 2014 (As of August 31, 2014)
NET ASSETS		
Shareholder's equity		
Capital stock	384,567	386,955
Capital surplus	230,926	233,314
Retained earnings	1,170,459	1,324,227
Treasury stock	(18)	(18)
Total shareholder's equity	1,785,936	1,944,479
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	466	688
Total valuation and translation adjustments	466	688
Total net assets	1,786,403	1,945,168
Total liabilities and net assets	3,389,885	4,487,659

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

(Thousand yen)

	First half ended August 2013 (March 1, 2013 – August 31, 2013)	First half ended August 2014 (March 1, 2014 – August 31, 2014)
Net sales	6,314,752	6,486,531
Cost of sales	5,083,330	5,086,073
Gross profit	1,231,421	1,400,458
Selling, general and administrative expenses	946,801	991,231
Operating income	284,620	409,226
Non-operating income		
Interest income	204	159
Dividends income	28	22
Interest on refund	-	3,000
Other	4	634
Total non-operating income	237	3,816
Non-operating expenses		
Interest expenses	5,857	5,588
Other	1,496	1,415
Total non-operating expenses	7,354	7,003
Ordinary income	277,503	406,039
Income before income taxes	277,503	406,039
Income taxes-current	90,812	187,818
Income tax adjustment	21,763	(22,007)
Total income taxes	112,575	165,811
Net income	164,927	240,228



## (3) Quarterly statements of cash flows

(Thousand yen)

	First half ended August 2013 (March 1, 2013 – August 31, 2013)	First half ended August 2014 (March 1, 2014 – August 31, 2014)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes	277,503	406,039
Depreciation and amortization	19,796	19,156
Increase (decrease) in allowance for doubtful accounts	(136)	307
Increase (decrease) in provision for bonuses	2,143	10,819
Increase (decrease) in provision for retirement benefits	900	1,050
Interest and dividends income	(232)	(181)
Interest on refund of income taxes and other	-	(3,000)
Interest expenses	5,857	5,588
Decrease (increase) in notes and accounts receivable-trade	103,522	(504,655)
Decrease (increase) in inventories	11,363	(33,188)
Increase (decrease) in accounts payable-other	(49,955)	294,813
Decrease/increase in consumption taxes receivable/payable	(213,202)	429,402
Other, net	(8,247)	262,581
Subtotal	149,313	888,731
Interest and dividends income received	232	181
Interest expenses paid	(5,452)	(5,720)
Income taxes paid	(276,388)	(0)
Income taxes refund	-	123,609
Net cash provided by (used in) operating activities	(132,295)	1,006,801
Net cash provided by (used in) investing activities		
Payments into time deposits	(7,000)	(16,000)
Proceeds from withdrawal of time deposits	12,000	-
Purchase of property, plant and equipment	(24,670)	(2,006)
Proceeds from sales of property, plant and equipment	-	35
Purchase of intangible assets	(26,830)	(25,322)
Payments for lease and guarantee deposits	(11,246)	(9,872)
Proceeds from collection of lease and guarantee deposits	4,733	2,787
Payments of loans receivable	-	(1,000)
Net cash provided by (used in) investing activities	(53,013)	(51,378)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	4,000	36,000
Proceeds from long-term loans payable	200,000	100,000
Repayment of long-term loans payable	(170,030)	(134,983)
Redemption of bonds	(78,500)	(62,500)
Proceeds from issuance of common stock	9,600	4,695
Purchase of treasury stock	(18)	-
Cash dividends paid	(78,156)	(86,001)
Other, net	(1,266)	(1,145)
Net cash provided by (used in) financing activities	(114,371)	(143,934)
Net increase (decrease) in cash and cash equivalents	(299,680)	811,488
Cash and cash equivalents, beginning of period	2,538,711	1,579,983
Cash and cash equivalents, end of period	2,239,031	2,391,472

(4) 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.