

Summary of Non-Consolidated Financial Results For the Third Quarter Ended November 30, 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/>
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 Date of quarterly securities report (tentative): January 14, 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 three quarters of the fiscal year ending February 2015 (March 1, 2014 – November 30, 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 three quarters ended Nov. 2014	10,327	14.0	680	132.3	674	139.2	405	147.9
First three quarters ended Nov. 2013	9,058	(36.4)	293	(67.1)	282	(66.7)	163	(66.7)

	Net income per share		Net income per share fully diluted	
	Yen		Yen	
First three quarters ended Nov. 2014	65.23		64.61	
First three quarters ended Nov. 2013	28.15		26.19	

(2) Financial Position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of November 30, 2014	4,844		2,112		43.6	
As of February 28, 2014	3,389		1,786		52.7	

Notes: Shareholders' equity

As of November 30, 2014: 2,112 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: None

Dividend for the fiscal year ending February 2015 (estimated) consists of ordinary dividend 14.00 yen and commemorative dividend 2 yen.

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	68.52

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 November 30, 2014: 6,277,900 As of February 28, 2014: 6,175,800

(b) Treasury stock

As of November 30, 2014: 34 As of February 28, 2014: 34

(c) Average number of shares (first three quarters)

Period ended November 30, 2014: 6,209,729 Period ended November 30, 2013: 5,803,955

* 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. 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 three quarters summary

In the first three quarters of the fiscal year, the Japanese economy staged a slow recovery. There were negative effects from the drop in demand following the rush to buy before the April 2014 consumption tax hike. But corporate earnings increased as the yen weakened and stock prices rose along with fiscal and monetary measures by the Japanese government and Bank of Japan.

In other countries, the U.S. economy was healthy but there has been no full-scale economic recovery in Europe. In addition, economic growth is slowing in China and there is growing tension in the Middle East and Ukraine. Due to this situation, 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 and rising demand for human resource services as the economy recovers slowly. However, there has been a pause in the upturn in the ratio of job openings to job seekers. Moreover, recruiting workers is very difficult because of the severe shortage of workers in the construction, manufacturing, restaurant and some other industries.

In the first three quarters, sales increased 14.0% from one year earlier to 10,327,479 thousand yen because of the high volume of business process outsourcing orders. Earnings increased at a much faster pace than sales in part because of higher than expected efficiency of work performed for business process outsourcing projects. Operating income increased 132.3% to 680,792 thousand yen, ordinary income increased 139.2% to 674,640 thousand yen and net income increased 147.9% to 405,078 thousand yen.

2) Business Divisions

(a) Business Process Outsourcing

An additional order involving a large private-sector project that delayed to start began as planned in this fiscal year. In addition, the volume of this order has become even larger. Furthermore, orders have been consistently strong from private-sector business process outsourcing companies. The performance was also supported by higher than expected public-sector orders, including orders for services involving one-time payments in association with the consumption tax hike. Although the performance was impacted by the completion in the previous fiscal year of a large public-sector business process outsourcing project, division sales increased 25.3% from one year earlier to 6,165,011 thousand yen.

(b) Customer Relationship Management

Orders received for work for current contact center contracts have slowly recovered and new orders from telemarketing companies are recovering at a moderate pace. However, there have been no large one-time orders, like the large staffing contract for a contact center in the previous fiscal year. As a result, division sales were down 11.1% from one year earlier to 2,327,549 thousand yen.

(c) Office Services

The outlook for this division is becoming more positive due in part to a rebound in demand for staffing for office work. Although there were activities to capture new office staffing contracts from financial institutions and other companies, division sales were about the same as one year earlier, decreasing 0.5% to 711,965 thousand yen.

(d) Manufacturing and Technology

Orders from manufacturers of pharmaceuticals and other products were strong as manufacturing begins to rebound following the downturn in the wake of the consumption tax hike. In addition, there was an increase in the share of orders received from meat processing companies, machine parts manufacturers and other companies as well as activities to capture new orders. Due to these activities, division sales increased 39.5% from one year earlier to 1,122,953 thousand yen.

(2) Overview of financial condition

(Assets)

Total assets were 4,844,608 thousand yen at the end of the third quarter, 1,454,722 thousand yen more than at the end of the previous fiscal year. The major changes were increases of 1,278,762 thousand yen in cash and deposits and 431,634 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 1,128,847 thousand yen to 2,732,330 thousand yen. There were increases of 415,824 thousand yen in consumption taxes payable, 276,401 thousand yen in accounts payable-other, 247,287 thousand yen in income taxes payable, 179,508 thousand yen in accrued expenses and 116,202 thousand yen in advances received. Bonds decreased 102,500 thousand yen.

(Net assets)

Net assets increased 325,874 thousand yen to 2,112,277 thousand yen. This was mainly the net result of a 405,078 thousand yen increase in retained earnings and dividend payments of 86,460 thousand yen.

(3) Forecast for the current fiscal year

There is no change in the forecast announced on September 22, 2014 for results of operations in 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)	Third quarter ended November 2014 (As of November 30, 2014)
ASSETS		
Current assets		
Cash and deposits	1,579,983	2,858,745
Notes and accounts receivable-trade	987,340	1,418,974
Work in process	46,438	60,489
Supplies	1,484	5,238
Income taxes receivable	114,566	-
Other	298,344	134,987
Allowance for doubtful accounts	(581)	(441)
Total current assets	3,027,576	4,477,994
Noncurrent assets		
Property, plant and equipment	82,567	83,935
Intangible assets	61,410	87,167
Investments and other assets		
Other	218,849	196,453
Allowance for doubtful accounts	(518)	(943)
Total investments and other assets	218,331	195,510
Total noncurrent assets	362,308	366,613
Total assets	3,389,885	4,844,608
LIABILITIES		
Current liabilities		
Short-term loans payable	12,000	12,000
Current portion of bonds	129,000	93,000
Current portion of long-term loans payable	224,228	198,936
Operating accounts payable	573,865	850,267
Income taxes payable	-	247,287
Provision for bonuses	51,086	16,602
Asset retirement obligations	1,185	1,185
Other	116,729	856,059
Total current liabilities	1,108,095	2,275,337
Noncurrent liabilities		
Bonds payable	174,000	107,500
Long-term loans payable	246,500	268,631
Provision for retirement benefits	14,550	15,600
Asset retirement obligations	35,408	39,176
Other	24,928	26,085
Total noncurrent liabilities	495,387	456,992
Total liabilities	1,603,482	2,732,330

(Thousand yen)

	Fiscal year ended February 2014 (As of February 28, 2014)	Third quarter ended November 2014 (As of November 30, 2014)
NET ASSETS		
Shareholder's equity		
Capital stock	384,567	388,005
Capital surplus	230,926	234,364
Retained earnings	1,170,459	1,489,077
Treasury stock	(18)	(18)
Total shareholder's equity	1,785,936	2,111,429
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	466	847
Total valuation and translation adjustments	466	847
Total net assets	1,786,403	2,112,277
Total liabilities and net assets	3,389,885	4,844,608

(2) Quarterly statements of income
(For the first three quarters)

(Thousand yen)

	First three quarters ended November 2013 (March 1, 2013 – November 30, 2013)	First three quarters ended November 2014 (March 1, 2014 – November 30, 2014)
Net sales	9,058,601	10,327,479
Cost of sales	7,399,528	8,105,168
Gross profit	1,659,072	2,222,311
Selling, general and administrative expenses	1,366,041	1,541,518
Operating income	293,030	680,792
Non-operating income		
Interest income	210	169
Dividends income	28	23
Interest on refund	-	3,000
Other	37	499
Total non-operating income	277	3,693
Non-operating expenses		
Interest expenses	8,883	7,931
Other	2,352	1,914
Total non-operating expenses	11,236	9,845
Ordinary income	282,071	674,640
Income before income taxes	282,071	674,640
Income taxes-current	62,687	277,918
Income tax adjustment	56,005	(8,356)
Total income taxes	118,692	269,562
Net income	163,379	405,078

(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.