

Summary of Non-Consolidated Financial Results For the Third Quarter Ended November 30, 2016 [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
 Name: Takehiro Hiramatsu
 Phone: +81-(0)3-6311-7321
 Date of quarterly securities report (tentative): January 13, 2017
 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 2017 (March 1, 2016 – November 30, 2016)

(1) Result of operations

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First three quarters ended Nov. 2016	14,022	15.3	748	14.2	744	15.5	480	19.1
First three quarters ended Nov. 2015	12,160	17.7	655	(3.7)	643	(4.5)	403	(0.3)

	Earnings per share		Earnings per share fully diluted	
	Yen		Yen	
First three quarters ended Nov. 2016	38.38		38.33	
First three quarters ended Nov. 2015	32.21		32.21	

Note: There was a two-for-one common stock split with a record date of June 1, 2016. Earnings per share and earnings per share fully diluted are shown as if this stock split was at the beginning of the previous fiscal year.

(2) Financial Position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of November 30, 2016	5,613		3,041		53.9	
As of February 29, 2016	5,620		2,658		47.3	

Ref: Shareholders' equity

As of November 30, 2016: 3,025 million yen As of February 29, 2016: 2,658 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 2016	-	0.00	-	18.00	18.00
Fiscal year ending February 2017	-	0.00	-	-	-
Fiscal year ending February 2017 (est.)	-	-	-	10.00	10.00

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

There was a two-for-one common stock split with a record date of June 1, 2016. The year-end dividend per share for the fiscal year that ended on February 29, 2016 is the dividend before this stock split and the forecast for the year-end dividend per share for the fiscal year ending on February 28, 2017 is the dividend after this stock split.

3. Forecast for the fiscal year ending February 2017 (March 1, 2016 - February 28, 2017)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	19,984	20.3	1,119	16.8	1,106	17.2	722	22.1	57.65

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

There was a two-for-one common stock split with a record date of June 1, 2016. The earnings per share forecast is based on the number of shares outstanding after this split (except treasury stock).

* 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: Yes

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

(c) Changes in accounting estimates: None

(d) Retrospective restatement: None

Note: For more details, please refer 2. Other Information (2) Changes in accounting principles and estimates, and retrospective restatement on page 3.

(3) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury shares)

As of November 30, 2016: 12,555,800 As of February 29, 2016: 12,555,800

(b) Treasury shares

As of November 30, 2016: 29,554 As of February 29, 2016: 29,468

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

Period ended November 30, 2016: 12,526,261 Period ended November 30, 2015: 12,534,778

Note: There was a two-for-one common stock split with a record date of June 1, 2016. The number of shares issued is calculated as if this split was at the beginning of the previous fiscal year. In addition, the number of shares of treasury stock at the end of the fiscal year includes stock held in a trust account of Trust & Custody Services Bank, Ltd. for the Careerlink Employee Stock Ownership Plan trust (J-ESOP). There were 29,400 shares in this trust account as of the end of the third quarter of the current fiscal year and of the previous fiscal year. Stock in this trust account is included in treasury stock that is excluded from the average number of shares. There were 29,400 shares in this trust account in the current fiscal year and in the previous fiscal year.

* 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

The forward-looking statements contained in this report are based on information currently available to the Company and certain assumptions which are regarded as legitimate. These statements are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts due to various factors. For information about the forecasts, please see "1. Results of Operations (3) Forecast for the current fiscal year" on page 3.

Index for Supplementary Information

- 1. Results of Operations.....2
 - (1) Overview on business performance.....2
 - (2) Overview of financial condition3
 - (3) Forecast for the current fiscal year.....3
- 2. Other Information3
 - (1) Use of accounting methods specifically for the preparation of the quarterly financial statements3
 - (2) Changes in accounting principles and estimates, and retrospective restatement.....3
- 3. Quarterly Financial Statements.....4
 - (1) Quarterly balance sheet.....4
 - (2) Quarterly statements of income5
 - (For the first three quarters).....5
 - (3) Notes to quarterly financial statement6
 - (Notes to going concern assumptions).....6
 - (Significant change in shareholders' equity).....6
 - (Segment information, etc.).....6

1. Results of Operations

(1) Overview on business performance

1) First three quarters summary

In the first three quarters of the current fiscal year, the Japanese economy continued to recover slowly with the support of government economic stimulus measures and the monetary policies of the Bank of Japan. Although consumer spending was firm and corporate earnings remained high, the economy was still somewhat lackluster.

Despite the ongoing recovery of the U.S. economy, the global economy is becoming increasingly uncertain. Sources of uncertainty include Britain's departure from the EU, Middle East instability, and worries about an economic downturn in China and other emerging countries. Due to this situation, the outlook for the global economy is unclear.

In the Japanese human resources industry, demand for human resource services is growing as the number of jobs and personal income continue to improve as well as gradual economic recovery. The amended Worker Dispatching Act became effective on September 30, 2015. Among the revisions are a change to the time limit for temporary staffing, measures to help enable workers to advance their careers (progressive and systematic education and training, and career consulting) and a single licensing system for the entire temporary staffing industry. These revisions are expected to further increase the use of temporary staffing services by companies in Japan.

Sales in the first three quarters increased 15.3% from one year earlier to 14,022,359 thousand yen due mainly to growth in orders in the Business Process Outsourcing business. Operating income increased 14.2% to 748,329 thousand yen, ordinary income increased 15.5% to 744,087 thousand yen and profit increased 19.1% to 480,768 thousand yen.

2) Business Segments

(a) Business Process Outsourcing

There was a large volume of private-sector orders, including many orders from companies in the financial services and new electricity sectors. In addition, public-sector orders were in line with the fiscal year plan. There were many orders associated with clerical tasks involving Japan's personal identification number system that began in the third quarter of the previous fiscal year as well as with special government benefit payments. As a result, sales in this business increased 20.5% to 9,425,223 thousand yen.

(b) Customer Relationship Management

Orders involving call centers were firm, but sales were lower than one year earlier mainly for two reasons. First is the receipt of orders combining call center services with clerical tasks, resulting in the inclusion of the associated sales in Business Process Outsourcing. Second is large one-time projects in this business in the previous fiscal year. The result was a 6.4% decrease in sales to 2,109,515 thousand yen.

(c) Manufacturing and Technology

Sales were higher because of growth in orders from manufacturers of food products, home appliances, medical equipment and other products. Sales increased 30.5% to 1,563,716 thousand yen.

(d) Office Services

There was growth in the volume of existing business, mainly services provided at business operations centers and other office tasks. As a result, sales increased 4.1% to 923,903 thousand yen.

(2) Overview of financial condition

(Assets)

Total assets were 5,613,166 thousand yen at the end of the third quarter, 6,980 thousand yen less than at the end of the previous fiscal year. There were increases of 148,571 thousand yen in cash and deposits and 100,280 thousand yen in securities and decreases of 93,115 thousand yen in accounts receivable-trade, 65,701 thousand yen in work in process, 38,854 thousand yen in other current assets and 61,444 thousand yen in investments and other assets.

(Liabilities)

Liabilities decreased 389,974 thousand yen to 2,571,279 thousand yen. There was a 24,556 thousand yen increase in provision for employee stock ownership plan and decreases of 42,000 thousand yen in short-term loans payable, 60,398 thousand yen in accounts payable-other, 100,816 thousand yen in income taxes payable, 64,191 thousand yen in the provision for bonuses and 145,254 thousand yen in long-term loans payable (including the current portion).

(Net assets)

Net assets were 3,041,887 thousand yen at the end of the third quarter, 382,993 thousand yen more than at the end of the previous fiscal year. Retained earnings increased 367,767 thousand yen (profit of 480,768 thousand yen minus dividend payments of 113,001 thousand yen) and subscription rights to shares increased 16,285 thousand yen.

(3) Forecast for the current fiscal year

There are no revisions to the forecast announced on April 14, 2016 for the fiscal year ending in February 2017.

2. Other Information

(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

(Changes in accounting principles)

In association with amendments to Japan's Corporate Income Tax Act, Careerlink is applying Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016 (ASBJ PITF No. 32, June 17, 2016) beginning with the first quarter of the fiscal year ending in February 2017. As a result, the depreciation method for building fixtures acquired on or after April 1, 2016 has been changed from the declining-balance method to the straight-line method.

This change had only a negligible effect on operating income, ordinary income and profit in the first three quarters of the current fiscal year.

3. Quarterly Financial Statements

(1) Quarterly balance sheet

(Thousand yen)

	Fiscal year ended February 2016 (As of February 29, 2016)	Third quarter ended November 2016 (As of November 30, 2016)
ASSETS		
Current assets		
Cash and deposits	2,617,853	2,766,424
Accounts receivable-trade	2,027,442	1,934,326
Securities	-	100,280
Work in process	109,410	43,708
Supplies	2,841	1,907
Other	143,465	104,611
Allowance for doubtful accounts	(610)	(586)
Total current assets	4,900,401	4,950,672
Noncurrent assets		
Property, plant and equipment	93,637	117,682
Intangible assets	159,074	139,223
Investments and other assets	467,032	405,588
Total noncurrent assets	719,745	662,494
Total assets	5,620,147	5,613,166
LIABILITIES		
Current liabilities		
Short-term loans payable	42,000	-
Current portion of bonds	136,000	126,000
Current portion of long-term loans payable	306,740	258,319
Accounts payable - other	1,002,354	941,956
Income taxes payable	182,646	81,830
Provision for bonuses	92,199	28,008
Other	714,781	723,087
Total current liabilities	2,476,722	2,159,201
Noncurrent liabilities		
Bonds payable	139,500	130,000
Long-term loans payable	251,348	154,515
Provision for employee stock ownership plan	2,807	27,363
Asset retirement obligations	47,436	56,309
Other	43,438	43,888
Total noncurrent liabilities	484,530	412,077
Total liabilities	2,961,253	2,571,279
NET ASSETS		
Shareholder's equity		
Capital stock	388,005	388,005
Capital surplus	234,364	234,364
Retained earnings	2,062,410	2,430,178
Treasury shares	(26,919)	(26,991)
Total shareholder's equity	2,657,862	3,025,557
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,031	45
Total valuation and translation adjustments	1,031	45
Subscription rights to shares	-	16,285
Total net assets	2,658,894	3,041,887
Total liabilities and net assets	5,620,147	5,613,166

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

(Thousand yen)

	First three quarters ended November 2015 (March 1, 2015 – November 30, 2015)	First three quarters ended November 2016 (March 1, 2016 – November 30, 2016)
Net sales	12,160,528	14,022,359
Cost of sales	9,699,903	11,231,484
Gross profit	2,460,624	2,790,875
Selling, general and administrative expenses	1,805,232	2,042,545
Operating income	655,392	748,329
Non-operating income		
Interest income	376	338
Dividend income	36	309
Gain on sales of investment securities	-	3,530
Gain on forfeiture of unclaimed dividends	-	294
Other	86	8
Total non-operating income	499	4,482
Non-operating expenses		
Interest expenses	8,198	6,073
Amortization of bond issuance cost	1,864	1,519
Other	1,868	1,131
Total non-operating expenses	11,931	8,724
Ordinary income	643,960	744,087
Profit before income taxes	643,960	744,087
Income taxes-current	187,890	233,972
Income taxes - deferred	52,304	29,346
Total income taxes	240,194	263,318
Profit	403,765	480,768

(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.