



Summary of Consolidated Financial Results for the Third Quarter Ended December 31, 2022 [Japanese GAAP]

February 14, 2023

Name of Listed Company: CAREERLINK CO., LTD.

Stock Listing: TSE

Code Number: 6070

URL: <http://www.careerlink.co.jp/>

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Scheduled Date of Financial Statements Filing: February 14, 2023

Scheduled Date of Dividend Payment Start: -

Supplementary Materials for Financial Results: Yes

Investor Conference for Financial Results: No

(Amounts are rounded down to the nearest one million yen.)

1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2023 (April 1, 2022 to December 31, 2022)

(1) Consolidated Financial Results (Percentages indicate the change against the same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2022	37,225	-	5,525	-	5,552	-	3,818	-
Nine months ended November 30, 2021	25,204	14.3	2,212	(2.1)	2,226	(3.3)	1,506	(5.8)

(Note) Comprehensive income 3Q FY 3/2023: ¥3,826 million [-%] 3Q FY 3/2022: ¥1,516 million [(5.4)%]

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2022	323.21	321.55
Nine months ended November 30, 2021	127.64	127.03

Note 1. We changed the account closing date from the last day of February to March 31 in the term ended March 31, 2022.

Accordingly, the period of the third quarter of the term ending March 31, 2023 (April 1 to December 31, 2022) is different from the period of the third quarter of the term ended March 31, 2022 (March 1 to November 30, 2021). Therefore, year-on-year increase/decrease rates are not presented.

Note 2. We have been applying the "Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020)," etc. from the beginning of the first quarter of the term ending March 31, 2023. The figures in the third quarter of the term ending March 31, 2023 are those after the application of said accounting standard, etc. Therefore, year-on-year increase/decrease rates are not presented.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	19,685	11,580	58.2
As of March 31, 2022	16,543	8,404	50.2

(Reference) Equity capital: 3Q FY 3/2023: ¥11,462 million FY 3/2022: ¥8,303 million

2. Dividends

	Dividends per share				
	End of the 1Q	End of the 2Q	End of the 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	-	0.00	-	40.00	40.00
Year ending March 31, 2023	-	0.00	-		
Year ending March 31, 2023 (Forecast)				50.00	50.00

Note: Revision of forecast for dividend recently announced: No

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(Percentages indicate the change against the same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2023	50,500	-	6,390	-	6,410	-	4,410	-	373.30

Note 1. Revision of forecast for consolidated financial results recently announced: No

Note 2. Year-on-year changes for the full year are not presented because FY 3/2022 was a 13-month period due to the change of the fiscal year end (from March 1, 2021 to March 31, 2022).

*Notes

(1) Changes in significant subsidiaries during the period: None

(2) Application of the accounting procedures for producing quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates and restatements:

- | | |
|---|------|
| 1) Changes in accounting policies due to revisions of accounting standards: | Yes |
| 2) Changes in accounting policies due to reasons other than above 1): | None |
| 3) Changes in accounting estimates: | None |
| 4) Restatements: | None |

(4) Number of issued shares (common stock)

1) Number of issued shares (including treasury shares) at end of term

2) Number of treasury shares at end of term

3) Average number of outstanding shares during the period (during the first three quarters)

As of December 31, 2022	12,590,800 shares	As of March 31, 2022	12,583,400 shares
As of December 31, 2022	774,698 shares	As of March 31, 2022	775,825 shares
Nine months ended December 31, 2022	11,813,097 shares	Nine months ended November 30, 2021	11,802,649 shares

Note: The shares in the Company possessed by Custody Bank of Japan, Ltd. (Trust E) (3Q of the fiscal year ending March 31, 2023: 45,800 shares / fiscal year ended March 31, 2022: 47,000 shares) are included in the number of treasury shares at the end of the term as a trust asset of the stock benefit trust (J-ESOP). In addition, the shares in the Company possessed by Custody Bank of Japan, Ltd. (Trust E) are included in the treasury shares to be deducted in the calculation of the average number of shares during the period (3Q of the fiscal year ending March 31, 2023: 46,495 shares / 3Q of the fiscal year ended March 31, 2022: 47,243 shares).

*Summary of financial results is out of scope of quarterly review by certified public accountant or audit corporation.

*Cautionary statement regarding forecasts of operating results and special notes

(Notes to the forward-looking statements, and others)

Forward-looking statements in these materials are based on information currently available to the Company and assumptions that the Company 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 on the forecasts and cautions when using these forecasts, please see "1. Qualitative Information (3) Explanation Regarding Future Forecast Information Including Forecast of Consolidated Financial Results" on page 5.

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1. Qualitative Information

(1) Explanation of Financial Results

The Company changed its fiscal year end from the last day of February to March 31 by the resolution to change a part of the Articles of Incorporation at the annual general meeting of shareholders held on May 28, 2021. As a transitional measure, fiscal year ended March 31, 2022 was a 13-month period from March 1, 2021 to March 31, 2022. Accordingly, the period of the first three quarters of the term ending March 31, 2023 (April 1 to December 31, 2022) is different from the period of the first three quarters of the term ended March 31, 2022 (March 1 to November 30, 2021). Therefore, year-on-year increase/decrease and their rates are not presented. In addition, we have been applying the “Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020)”; hereinafter the “Revenue Recognition Accounting Standard, etc.,” since the beginning of the first quarter of the term ending March 31, 2023. Accordingly, the figures in the first three quarters of the term ending March 31, 2023 are those after the application of the Revenue Recognition Accounting Standard, etc.

In the first three quarters of the term ending March 31, 2023, although the Japanese economy began to show signs of a recovery in domestic socioeconomic activity, underpinned by the move to living with COVID-19, the outlook for the domestic economy remained uncertain as the impact of the rapid weakening of the yen and the rising prices for daily necessities became apparent.

Although economic activities recovered, the outlook for the global economy remained uncertain due to soaring global prices for natural resources and supply-side constraints in the wake of Russia’s invasion of Ukraine, and the economic slowdown in China and concerns over a renewed spread of COVID-19 following a change in China’s zero-Covid policy.

In this situation, the environment surrounding the Japanese human resource service industry saw an upward trend in the ratio of job openings to applicants, primarily in the manufacturing and food service industries, in the context of a gradual recovery in consumer spending and strong corporate earnings.

In such a business environment, our corporate group actively promoted businesses, mainly the business process outsourcing section, continuing from the first half of the term ending March 31, 2023.

In the first three quarters of the term ending March 31, 2023, the clerical human resource services business continued to receive strong levels of orders for BPO contract projects, focused mainly on social security and tax number projects and large-scale spot transactions from local governments and leading BPO business operators. Regarding the manufacturing human resource services business, orders steadily increased in both the manufacturing and processing category and the food processing category thanks to efforts to develop new clients and strengthen cooperation between branches, which, in turn, led to increased numbers of clients and volume of business. Although the sales human resource services business began to see a recovery in business as a result of efforts to develop new clients and expand the share of existing clients following the significant relaxation of COVID-19-related movement restrictions, we ultimately could not produce sufficient results.

As a result, net sales in the first three quarters of the term ending March 31, 2023 were 37,225,741 thousand yen, as the clerical human resource services business steadily received social security and tax number project related and major spot transaction project orders from local governments and leading BPO business operators and the manufacturing human resource services business had a steady amount of orders.

In terms of profit, operating profit was 5,525,623 thousand yen, ordinary profit was 5,552,080 thousand yen, and profit attributable to owners of parent was 3,818,088 thousand yen, due to net sales growth, improved efficiency of business processing operations in BPO contract projects, and making efforts to cut down the expenses for increasing registered workers and outsourcing of business, in continuation from the first half of the term ending March 31, 2023.

(Clerical human resource services business)

The business process outsourcing section received strong levels of orders, focused mainly on social security and tax number projects and large-scale spot transactions, from local governments and leading BPO business operators. The customer relationship management section, in continuation from the first half of the term ending March 31, 2023, was also able to secure orders for a range of new projects achieved through efforts in regional branches to increase new clients, and the Tokyo metropolitan area and Kansai region received a steady stream of orders from existing clients for both conventional and new business. In addition, in the office services section, the number of transactions for dispatching office workers to local governments was strong and the number of transactions for dispatching office workers to financial institutions was steady although the scale of large-scale spot transactions shrank. As a result, net sales of this business for the first three quarters of the term ending March 31, 2023, were 32,140,150 thousand yen. In terms of profit, operating profit was 5,322,477 thousand yen due to net sales growth, improved efficiency of business processing operations in BPO contract projects, and making efforts to cut down the expenses for increasing

registered workers and outsourcing of business, in continuation from the first half of the term ending March 31, 2023.

(a) Business process outsourcing

Net sales of this section in the first three quarters of the term ending March 31, 2023, were 24,736,060 thousand yen because of high numbers of orders from local governments and leading BPO business operators, etc., for social services and tax number projects as well as the receiving of multiple orders for large-scale spot transaction projects with short-term contracts. Further contributions to net sales came through the securing of new transactions with 29 local governments as of December 31, 2022 owing to efforts to increase business from local governments, bringing a total of 108 transactions with local governments when combined with existing clients.

(b) Customer relationship management

Net sales of this section for the first three quarters of the term ending March 31, 2023, were 3,271,515 thousand yen thanks to a favorable number of orders from new clients in Sapporo, Sendai, Fukuoka, and Okinawa branch offices for welfare, mail-order sales, and finance as well as steady orders in the Tokyo metropolitan area and Kansai area for conventional business from existing leading BPO business operators and new business from government agencies.

(c) Office services

Net sales of this section for the first three quarters of the term ending March 31, 2023 were 4,132,574 thousand yen, as we successfully received new orders for staffing related to general and resident-service related affairs from local governments and steadily received orders for staffing from financial institutions, although the scale of large-scale spot transactions shrank.

(Manufacturing human resource services business)

Net sales of this business for the first three quarters of the term ending March 31, 2023 were 4,112,143 thousand yen, as we received a steady amount of orders in the manufacturing and processing category for machinery manufacturing, electrical machinery manufacturing, transport machinery manufacturing, etc., thanks to efforts to develop new clients and strengthen cooperation between branches, which, in turn, led to increased numbers of clients and volume of business. In the food processing category, orders for ready-made side dishes, frozen foods, and confectionery manufacturing were also steady. In terms of profit, operating profit was 187,525 thousand yen, as net sales grew.

(Sales human resource services business)

Net sales of this business for the first three quarters of the term ending March 31, 2023 were 749,458 thousand yen, as we strived to increase new clients and the share of existing clients following the significant easing of movement restrictions related to efforts to prevent the spread of COVID-19, but could not produce sufficient results. In terms of profit, we continued to strive to reduce expenses for increasing registered workers, etc., but posted an operating loss of 8,864 thousand yen.

(Other services)

This business is the automobile management business of Tokyo Vehicle Management Co., Ltd., a subsidiary of Japan Business Service Co., Ltd. Net sales of this business for the first three quarters of the term ending March 31, 2023 were healthy and amounted to 223,988 thousand yen while operating profit was 24,484 thousand yen.

For reference, the following table shows figures for the first three quarters of the previous term (March–November 2021) after adjusting them by one month so that they represent figures for the period from April to December 2021 in line with the period of the first three quarters of the current term, compared with actual figures for the first three quarters of the current term adjusted on an inspection basis by subtracting the amount impacted by revenue recognition (Adjusting both sets of figures to the same period (April–December), and two periods are compared on an inspection basis). For details on the application of the Revenue Recognition Accounting Standard, etc., see “2. Consolidated Financial Statements and Notes (3) Notes to Consolidated Financial Statements.”

(Units: Thousands of yen, %)

	The same period of the previous term after adjustment (a) (April-December 2021) (Inspection basis)	First three quarters ended December 31, 2022 (April-December 2022)			Increase amount and increase rate due to adjustment on an inspection basis	
		Performance (b) (Revenue Recognition Accounting Standard)	Amount impacted by revenue recognition (c)	Performance excluding the impact of revenue recognition (d) (b-c) (= Inspection basis)	Increase amount d- a	Increase rate (d - a) / a
Net sales	24,861,390	37,225,741	4,620,896	32,604,845	7,743,455	31.1
Operating profit	1,928,349	5,525,623	2,570,801	2,954,822	1,026,473	53.2
Ordinary profit	1,944,353	5,552,080	2,570,801	2,981,279	1,036,926	53.3
Profit attributable to owners of parent	1,294,343	3,818,088	1,783,622	2,034,466	740,123	57.2

(Note) The column of the above table “The same period of the previous term after adjustment” contains figures for the period from April to December 2021; however, the Revenue Recognition Accounting Standard was not applied during that term. Therefore, in the table above, a comparison of both periods on an inspection basis has been made by subtracting the “Amount impacted by revenue recognition” from performance for the first three quarters ended December 31, 2022, in order to unify the basis of net sales for that term and the current term.

(2) Explanation of Financial Position

(Assets)

Total assets at the end of the first three quarters of the term ending March 31, 2023 are 19,685,905 thousand yen, up 3,141,916 thousand yen from the end of the previous fiscal year. This is due mainly to an increase of 3,634,028 thousand yen in “Notes and accounts receivable - trade, and contract assets” (“Notes and accounts receivable - trade” at the end of the previous fiscal year), although “Cash and deposits” decreased 734,410 thousand yen.

(Liabilities)

Total liabilities at the end of the first three quarters of the term ending March 31, 2023 are 8,105,328 thousand yen, down 34,156 thousand yen from the end of the previous fiscal year. This is due mainly to an increase of 683,829 thousand yen in “Accounts payable - other,” despite decreases of 379,755 thousand yen in “Other” in the “Current liabilities” section including “Accrued consumption taxes” and “Accrued expenses,” 156,686 thousand yen in “Long-term borrowings,” and of 117,249 thousand yen in “Provision for loss on orders received.”

(Net assets)

Total net assets at the end of the first three quarters of the term ending March 31, 2023 are 11,580,576 thousand yen, up 3,176,073 thousand yen from the end of the previous fiscal year. This is due mainly to an increase of 3,155,407 thousand yen in “Retained earnings” (up 3,818,088 thousand yen in “Profit attributable to owners of parent” and down 474,183 thousand yen due to the payment of dividends and 188,498 thousand yen after the application of the Revenue Recognition Accounting Standard, etc.) and of 21,284 thousand yen in “Share acquisition rights.”

(3) Explanation Regarding Future Forecast Information Including Forecast of Consolidated Financial Results

There are no revisions to the forecast for the year ending March 31, 2023 provided in the summary information in this consolidated financial results document and in the “Consolidated Forecast” announced on November 9, 2022.

2. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Unit: Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	7,031,627	6,297,217
Notes and accounts receivable - trade	7,962,411	-
Notes and accounts receivable - trade, and contract assets	-	11,596,439
Inventories	4,422	27,349
Other	330,644	502,971
Allowance for doubtful accounts	(2,139)	(1,645)
Total current assets	15,326,967	18,422,332
Non-current assets		
Property, plant and equipment	280,207	260,745
Intangible assets	134,667	97,741
Investments and other assets	802,147	905,086
Total non-current assets	1,217,021	1,263,573
Total assets	16,543,988	19,685,905
Liabilities		
Current liabilities		
Short-term borrowings	36,000	90,000
Current portion of bonds payable	30,000	30,000
Current portion of long-term borrowings	284,960	217,565
Accounts payable - other	3,329,102	4,012,932
Income taxes payable	1,151,452	1,055,197
Provision for bonuses	220,823	275,586
Provision for loss on orders received	117,249	-
Provision for share awards	-	19,887
Other	2,204,761	1,825,006
Total current liabilities	7,374,350	7,526,175
Non-current liabilities		
Bonds payable	50,000	35,000
Long-term borrowings	579,740	423,054
Provision for share awards	19,299	-
Retirement benefit liability	2,987	1,155
Asset retirement obligations	81,098	84,612
Other	32,008	35,332
Total non-current liabilities	765,134	579,153
Total liabilities	8,139,485	8,105,328
Net assets		
Shareholders' equity		
Share capital	397,601	400,567
Capital surplus	238,029	241,861
Retained earnings	8,139,222	11,294,629
Treasury shares	(478,733)	(478,019)
Total shareholders' equity	8,296,120	11,459,038
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,775	3,808
Total accumulated other comprehensive income	7,775	3,808
Share acquisition rights	34,265	55,550
Non-controlling interests	66,342	62,179
Total net assets	8,404,503	11,580,576
Total liabilities and net assets	16,543,988	19,685,905

(2) Consolidated Statements of Income and Statements of Comprehensive Income

Consolidated Statements of Income

For the first three quarters

(Unit: Thousands of yen)

	Nine months ended November 30, 2021	Nine months ended December 31, 2022
Net sales	25,204,423	37,225,741
Cost of sales	19,712,298	27,428,536
Gross profit	5,492,125	9,797,204
Selling, general and administrative expenses	3,279,531	4,271,581
Operating profit	2,212,594	5,525,623
Non-operating income		
Interest income	209	35
Dividend income	532	1,273
Subsidy income	18,745	14,404
Settlement income	-	13,271
Other	341	528
Total non-operating income	19,829	29,514
Non-operating expenses		
Interest expenses	3,064	2,791
Miscellaneous losses	2,179	-
Other	369	265
Total non-operating expenses	5,613	3,056
Ordinary profit	2,226,810	5,552,080
Profit before income taxes	2,226,810	5,552,080
Income taxes-current	725,931	1,701,191
Income taxes-deferred	(14,120)	20,134
Total income taxes	711,811	1,721,326
Profit	1,514,998	3,830,754
Profit attributable to non-controlling interests	8,555	12,666
Profit attributable to owners of parent	1,506,443	3,818,088

Consolidated Statements of Comprehensive Income

For the first three quarters

(Unit: Thousands of yen)

	Nine months ended November 30, 2021	Nine months ended December 31, 2022
Profit	1,514,998	3,830,754
Other comprehensive income		
Valuation difference on available-for-sale securities	1,677	(3,966)
Total other comprehensive income	1,677	(3,966)
Comprehensive income	1,516,676	3,826,787
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,508,121	3,814,121
Comprehensive income attributable to non-controlling interests	8,555	12,666

(3) Notes to Consolidated Financial Statements

(Notes Relating to Going Concern Assumption)

None applicable.

(Notes on Significant Changes in Shareholders' Equity)

None applicable.

(Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition, etc.)

The Company adopted the "Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020)"; hereinafter the "Revenue Recognition Accounting Standard, etc.," at the beginning of the first quarter of the term ending March 31, 2023. In order to recognize the amount expected to be received in exchange for the promised goods or services as revenue when the control of the promised goods or services is transferred to a customer, the Company has changed its method so that we estimate the degree of completion related to fulfillment of performance obligations and recognize revenue over a certain period based on such degree of completion.

Specifically, the Company previously recognized the amount after inspection by a customer as revenue. However, from the beginning of the first quarter of the term ending March 31, 2023, the Company will primarily recognize revenue for each month by prorating the contract amount by the number of months of the entire contract period.

As for the application of the Revenue Recognition Accounting Standard, etc., in accordance with the transitional treatment prescribed in the proviso of Paragraph 84 of the Revenue Recognition Accounting Standard, the cumulative effect of retrospective application of the new accounting policy prior to the beginning of the first quarter of the term ending March 31, 2023 was reflected in retained earnings at the beginning of the first quarter of the term ending March 31, 2023, and the new accounting policies were applied to the beginning balance of the current fiscal year. However, the new accounting policies were not applied retrospectively to contract projects for which almost all revenues were recognized in accordance with the previous treatment prior to the beginning of the first quarter of the term ending March 31, 2023, in accordance with the method prescribed in Paragraph 86 of the Revenue Recognition Accounting Standard. In addition, the Company has applied the method prescribed in Paragraph 86, Item (1) of the Revenue Recognition Accounting Standard and conducted accounting for changes in contracts made prior to the beginning of the first quarter of the term ending March 31, 2023 based on the contract terms after reflecting all contract changes, and the cumulative effect of such changes has been reflected in retained earnings at the beginning of the first quarter of the term ending March 31, 2023.

As a result of the application of the new accounting policies from the beginning of the first quarter of the term ending March 31, 2023, net sales increased 4,620,896 thousand yen, operating profit and ordinary profit increased 2,570,801 thousand yen, and profit attributable to owners of parent increased 1,783,622 thousand yen in the first three quarters of the term ending March 31, 2023. However, the impact of this change on the consolidated financial statements for the current fiscal year is immaterial because most of the contracted projects were inspected by the end of March 2023, the end of the current fiscal year. The application of the new accounting policies resulted in a decrease of 188,498 thousand yen in retained earnings at the beginning of the first quarter of the term ending March 31, 2023.

Due to the application of the Revenue Recognition Accounting Standard, etc., "Notes and accounts receivable - trade," which was included in the "Current assets" section in the consolidated balance sheet for the previous fiscal year, is included in "Notes and accounts receivable - trade, and contract assets" from the first quarter of the term ending March 31, 2023. In accordance with the transitional treatment prescribed in Paragraph 89-2 of the Revenue Recognition Accounting Standard, no reclassification has been made for the previous consolidated fiscal year using the new presentation. Furthermore, in accordance with the transitional treatment prescribed in Paragraph 28-15 of the "Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12; March 31, 2020)," information that breaks down revenue from contracts with customers for the first three quarters of the previous fiscal year is not presented.

(Application of Accounting Standard for Fair Value Measurement)

The "Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30; July 4, 2019)"; hereinafter the "Fair Value

Measurement Accounting Standard,” etc. have been applied since the beginning of the first quarter of the term ending March 31, 2023, and the Company has decided to prospectively apply the new accounting policies prescribed by the Fair Value Measurement Accounting Standard, etc., in accordance with the transitional treatment prescribed by Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the “Accounting Standard for Financial Instruments (ASBJ Statement No. 10; July 4, 2019).”

In addition, the “Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31; June 17, 2021)”; hereinafter the “Guidance on Accounting Standard for Fair Value Measurement,” has been applied since the beginning of the first quarter of the term ending March 31, 2023, and the Company has decided to apply the new accounting policies prescribed by the Guidance on Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional treatment prescribed in Paragraph 27-2 of the Guidance on Accounting Standard for Fair Value Measurement.

This change has no impact on the quarterly consolidated financial statements.

(Additional Information)

(Impact of COVID-19)

There are no material changes in the assumptions related to the impact of COVID-19, which were presented in “Additional Information: Impact of COVID-19” of the Securities Report for the previous consolidated fiscal year.

(Segment Information, etc.)

[Segment Information]

I For the first three quarters ended November 30, 2021 (March 1, 2021 - November 30, 2021)

1. Information on sales and income (loss) by reporting segment

(Unit: Thousands of yen)

	Reporting segments				Other ^(Note 1)	Amount on the consolidated statements of income ^(Note 2)
	Clerical human resource services business	Manufacturing human resource services business	Sales human resource services business	Total		
Net sales						
To outside customers	21,213,833	2,998,306	769,041	24,981,181	223,242	25,204,423
Intersegment sales and transfers	-	-	-	-	-	-
Total	21,213,833	2,998,306	769,041	24,981,181	223,242	25,204,423
Segment income	2,087,080	106,777	2,104	2,195,962	16,632	2,212,594

Note: 1. "Other" is the automobile management business of Tokyo Vehicle Management Co., Ltd., which is not a reporting segment.

Note: 2. The segment income matches operating profit in the consolidated statements of income.

2. Information on impairment loss, goodwill, etc., in non-current assets by reporting segment

None applicable.

II For the first three quarters ended December 31, 2022 (April 1, 2022 - December 31, 2022)

1. Information on sales and income (loss) by reporting segment and information on breakdown of revenues

(Unit: Thousands of yen)

	Reporting segments				Other ^(Note 1)	Amount on the consolidated statements of income ^(Note 2)
	Clerical human resource services business	Manufacturing human resource services business	Sales human resource services business	Total		
Net sales						
Dispatch of workers	15,645,479	4,105,295	22,713	19,773,488	-	19,773,488
Undertaking of tasks	16,458,193	-	726,745	17,184,939	223,988	17,408,927
Dispatch of workers to be employed as full-time employees	1,232	-	-	1,232	-	1,232
Introduction of workers	35,245	6,847	-	42,093	-	42,093
Revenues from contracts with customers	32,140,150	4,112,143	749,458	37,001,752	223,988	37,225,741
To outside customers	32,140,150	4,112,143	749,458	37,001,752	223,988	37,225,741
Intersegment sales and transfers	-	-	-	-	-	-
Total	32,140,150	4,112,143	749,458	37,001,752	223,988	37,225,741
Segment income (loss)	5,322,477	187,525	(8,864)	5,501,138	24,484	5,525,623

Note: 1. "Other" is the automobile management business of Tokyo Vehicle Management Co., Ltd., which is not a reporting segment.

Note: 2. The segment income (loss) matches operating profit in the consolidated statements of income.

2. Information on impairment loss, goodwill, etc. in non-current assets by reporting segment

None applicable.

3. Items regarding the change in the reporting segments

As mentioned in “Changes in Accounting Policies,” we have been applying the Revenue Recognition Accounting Standard, etc., since the beginning of the first quarter of the term ending March 31, 2023, changing the accounting method for revenue recognition. Accordingly, we have changed the method for calculating the profit and loss of business segments.

Due to these changes, in the clerical human resource services business, net sales increased 4,620,896 thousand yen and segment income increased 2,570,801 thousand yen, compared with the previous method, for the first three quarters of the term ending March 31, 2023.