

## Summary of Consolidated Financial Results

### For the Third Quarter Ended November 30, 2021 [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  
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 Date of quarterly securities report (tentative): January 14, 2022  
 Date of commencement of dividend payment (tentative): -  
 Quarterly earnings supplementary explanatory documents: No  
 Quarterly earnings presentation: No

(Yen in millions, rounded down)

**1. Financial results for the first three quarters of the fiscal year ending March 2022 (March 1, 2021 – November 30, 2021)**

(1) Result of operations (Consolidated, year-to-date)

(Percentage figures represent year on year changes)

|                                      | Net sales   |      | Operating profit |       | Ordinary profit |       | Profit attributable to owners of parent |       |
|--------------------------------------|-------------|------|------------------|-------|-----------------|-------|---|-------|
|                                      | Million yen | %    | Million yen      | %     | Million yen     | %     | Million yen                             | %     |
| First three quarters ended Nov. 2021 | 25,204      | 14.3 | 2,212            | (2.1) | 2,226           | (3.3) | 1,506                                   | (5.8) |
| First three quarters ended Nov. 2020 | 22,054      | 39.9 | 2,261            | 296.5 | 2,303           | 304.0 | 1,599                                   | 287.4 |

Note: Comprehensive income: First three quarters of FY3/2022: 1,516 million yen (-5.4%)  
 First three quarters of FY2/2021: 1,602 million yen (267.3%)

|                                      | Earnings per share |  | Earnings per share fully diluted |  |
|--------------------------------------|--------------------|--|----------------------------------|--|
|                                      | Yen                |  | Yen                              |  |
| First three quarters ended Nov. 2021 | 127.64             |  | 127.03                           |  |
| First three quarters ended Nov. 2020 | 133.44             |  | 132.81                           |  |

(2) Financial Position (Consolidated)

|                         | Total assets |  | Net assets  |  | Equity ratio |  |
|-------------------------|--------------|--|-------------|--|--------------|--|
|                         | Million yen  |  | Million yen |  | %            |  |
| As of November 30, 2021 | 12,925       |  | 6,783       |  | 51.7         |  |
| As of February 28, 2021 | 11,523       |  | 5,483       |  | 46.9         |  |

Reference: Shareholders' equity

As of November 30, 2021: 6,687 million yen      As of February 28, 2021: 5,405 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 2021      | -                  | 0.00      | -         | 20.00     | 20.00     |
| Fiscal year ending March 2022        | -                  | 0.00      | -         | -         | -         |
| Fiscal year ending March 2022 (est.) | -                  | -         | -         | 20.00     | 20.00     |

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

### 3. Forecast for the fiscal year ending March 2022 (Consolidated, March 1, 2021 to March 31, 2022)

(Percentage figures represent year on year changes)

|           | Net sales   |   | Operating profit |   | Ordinary profit |   | Profit attributable to owners of parent |   | Earnings per share |
|-----------|-------------|---|------------------|---|-----------------|---|---|---|--------------------|
|           | Million yen | % | Million yen      | % | Million yen     | % | Million yen                             | % | Yen                |
| Full year | 41,000      | - | 3,700            | - | 3,700           | - | 2,540                                   | - | 215.18             |

Note: 1. Change in the forecast from the latest announcement: Yes  
 2. There are no year on year changes because FY 3/22 will be a 13-month period due to the change of the fiscal year end from February to March.

#### \* Notes

- (1) Changes in significant subsidiaries during the period: None
- (2) Use of accounting methods specifically for the preparation of the quarterly financial statements: None
- (3) 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

#### (4) Number of shares outstanding (common stock)

##### (a) Shares outstanding (including treasury shares)

As of November 30, 2021: 12,583,400 As of February 28, 2021: 12,569,400

##### (b) Treasury shares

As of November 30, 2021: 776,025 As of February 28, 2021: 776,225

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

Period ended November 30, 2021: 11,802,649 Period ended November 30, 2020: 11,990,242

Note: The number of treasury shares includes stock held in a trust account of Custody Bank of Japan, Ltd. (trust account E) for the Careerlink Employee Stock Ownership Plan trust (J-ESOP). There were 47,200 shares in this trust account as of November 30, 2021 and 47,400 shares as of February 28, 2021. Shares in this trust account are included in treasury shares that is excluded from the average number of shares during the period. There were 47,243 shares in this trust account in the period ended November 30, 2021 and 48,024 shares in the period ended November 30, 2020.

\* This report is exempt from the quarterly audit review by certified public accountants or accounting firms.

#### \* 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 "1. Results of Operations (3) Forecast for the current fiscal year" on page 4.

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## 1. Results of Operations

### (1) Overview on business performance

Economic and social activity in Japan were slowly recovering during the first three quarters of the current fiscal year. The main reasons were the end of states of emergency and other pandemic safety measures at the end of September and a big decline in the number of COVID-19 cases because of progress with vaccinations. There were negative effects of the semiconductor shortage, which is affecting many industries, and the rising cost of crude oil and other resources. In addition, there were concerns about the global spread of the highly infectious omicron variant. As a result, the outlook for the Japanese economy remains unclear.

In other countries, restrictions on various activities have been eased as more people received vaccinations, primarily in Europe and North America. Economic and social activities are recovering, although the pace of the recovery is uneven across different countries and regions. As in Japan, however, the outlook for the global economy is still uncertain mainly because of the semiconductor shortage, high cost of resources and another wave of the pandemic caused by the omicron variant.

In the Japanese human resources industry, the business climate is improving as consumer spending recovers with Japan's vaccination rate now above 70%. However, there are increasing concerns about the rising number of cases due to the omicron variant. Furthermore, although there were signs of improvement in jobs-to-applicants ratio announcement from the Ministry of Health, Labour and Welfare, this ratio is still low at 1.15 in November 2021 and the labor market remains challenging.

In the clerical human resource services business, sales activities are under way for adding new customers in anticipation of the business climate after the pandemic ends. In the manufacturing human resource services business, there were many activities during the first three quarters for enlarging the sales network for this business, such as opening new offices.

During the first three quarters of the fiscal year, activities in the clerical human resource services business for adding new customers, capturing new orders from the public sector and achieving other goals resulted in higher sales than one year earlier in the business process outsourcing (BPO), customer relationship management (CRM) and office services sectors. In the manufacturing human resource services business, orders were higher mainly in the manufacturing and processing sector, because of activities for adding new customers and other measures. The result was a big increase in sales compared with one year earlier. In the sales human resource services business, market conditions remained difficult because there was only a weak recovery in the restaurant, retail and other categories following the September 30 end of states of emergency and other restrictions involving the pandemic.

During the first three quarters of the fiscal year, sales were higher than one year earlier in each sector of the clerical human resource services business including the core BPO sector. The main reason is the success of extensive and proactive sales activities based on the outlook for the markets of this business after the pandemic. There was a big increase in sales in the manufacturing human resource services business too, thanks to enlarging the sales network for this business, such as opening new office and other reasons. While sales decreased in the sales human resource services business because of the continuing effects of the pandemic, total sales for the first three quarters increased 3,149,573 thousand yen (+14.3%) to 25,204,423 thousand yen.

Although the gross profit increased along with sales growth, there were decreases in earnings because of expenses for recruiting large numbers of key personnel and the addition of BPO operation systems using advanced IT in preparation for future business expansion. Operating profit decreased 48,439 thousand yen (-2.1%) to 2,212,594 thousand yen, ordinary profit decreased 76,712 thousand yen (-3.3%) to 2,226,810 thousand yen, and profit attributable to owners of parent decreased 93,511 thousand yen (-5.8%) to 1,506,443 thousand yen.

#### (Clerical human resource services)

In the BPO category, sales were strong because of an increase in orders from the public sector and large BPO companies, mainly the result of sales activities to gain new customers and to capture new orders from the public sector. In the CRM category, sales have recovered to the pre-pandemic level. The main reasons are the addition of new customers and a larger share of orders at current customers. In the office services category, demand from financial institutions for temporary staffing remained strong and there were many new orders. In addition, the volume of business at most current customers has recovered to the pre-pandemic level. As a result, segment sales increased 2,680,272 thousand yen (+14.5%) to 21,213,833 thousand yen. Operating profit decreased 79,046 thousand yen (-3.6%) to 2,087,080 thousand yen. The gross profit increased along with sales growth, but there were expenses for recruiting key personnel, introduction of BPO operation systems using IT and other activities in preparation for future business expansion.

#### (a) Business Process Outsourcing

Activities to capture orders from new customers and receive new orders from the public sector resulted in strong sales with increased orders from public-sector customers and large BPO companies. Sales increased 2,182,750 thousand yen (+17.8%) to 14,417,029 thousand yen.

#### (b) Customer Relationship Management

Activities to add new customers and increase the share of business at current customers produced a recovery that returned sales to the pre-pandemic level. Sales increased 157,674 thousand yen (+6.0%) to 2,780,150 thousand yen.

#### (c) Office Services

Demand from financial institutions for temporary staffing remained firm and there were many new orders. The volume of business at most current customers has recovered to the pre-pandemic level. Sales increased 339,847 thousand yen (+9.2%) to 4,016,653 thousand yen.

(Manufacturing human resource services)

The volume of business increased, mainly in the manufacturing and processing sector, in part because of the expansion of the sales network, including the opening of new sales office in the city of Yokkaichi in Mie prefecture. Sales were far above the same period of the previous fiscal year and surpassed the pre-pandemic level. Segment sales increased 649,051 thousand yen (+27.6%) to 2,998,306 thousand yen and, mainly due to sales growth, operating profit increased 65,042 thousand yen (+155.8%) to 106,777 thousand yen.

(Sales human resource services)

Even after the September 30 end of states of emergency and other pandemic restrictions, the recovery of restaurant and retail sectors were slow. Weakness in these sectors impacted the demand for the services of this business, resulting in a decrease of 193,308 thousand yen (-20.1%) in sales to 769,041 thousand yen. Although there were measures to reduce selling, general and administrative expenses in response to decreased gross profit due to drop in sales, operating profit was down 32,986 thousand yen (-94.0%) to 2,104 thousand yen.

(Other services business)

This business is the automobile management business of Tokyo Jidosha Kanri, a subsidiary of Japan Business Service. Sales increased 13,558 thousand yen (+6.5%) to 223,242 thousand yen. Operating profit decreased 1,448 thousand yen (-8.0%) to 16,632 thousand yen mainly because of expenses for safety measures involving the pandemic.

(2) Overview of financial condition

(Assets)

Total assets were 12,925,177 thousand yen at the end of the third quarter, 1,401,326 thousand yen more than at the end of the previous fiscal year. Major changes were a 935,855 thousand yen decrease in cash and deposits and increases of 1,300,508 thousand yen in inventories and 1,076,145 thousand yen in notes and accounts receivable - trade.

(Liabilities)

Total liabilities were 6,141,765 thousand yen at the end of the third quarter, 100,996 thousand yen more than at the end of the previous fiscal year. Major changes were an increase of 1,532,000 thousand yen in advances received and decreases of 708,217 thousand yen in other current liabilities, which includes accrued expenses and accrued consumption taxes, 286,736 thousand yen in income taxes payable, 274,336 thousand yen in accounts payable - other, 101,755 thousand yen in provision for bonuses, and 54,000 thousand yen in short-term borrowings.

(Net assets)

Net assets were 6,783,412 thousand yen at the end of the third quarter, 1,300,329 thousand yen more than at the end of the previous fiscal year. Major changes were increases of 1,269,632 thousand yen in retained earnings (the difference between profit attributable to owners of parent of 1,506,443 thousand yen and dividend paid of 236,811 thousand yen) and 9,520 thousand yen in share acquisition rights.

(3) Forecast for the current fiscal year

The forecast for the fiscal year ending in March 2022 has been revised. This revision was announced on January 13, 2022 in a press release titled "Notice of Revisions to Consolidated Forecast for the Fiscal Year Ending in March 2022."

## 2. Quarterly Consolidated Financial Statements and Important Notes

### (1) Quarterly consolidated balance sheet

(Thousand yen)

|   | Fiscal year ended February 2021<br>(As of February 28, 2021) | Third quarter ended November 2021<br>(As of November 30, 2021) |
|---|--|--|
| <b>ASSETS</b>   |  |  |
| Current assets  |  |  |
| Cash and deposits                                     | 6,435,394  | 5,499,538  |
| Notes and accounts receivable - trade                 | 3,354,766  | 4,430,912  |
| Inventories   | 392,139  | 1,692,647  |
| Income taxes receivable                               | 221  | -  |
| Other   | 351,828  | 244,996  |
| Allowance for doubtful accounts                       | (1,199)  | (1,095)  |
| Total current assets                                  | 10,533,149   | 11,866,999   |
| Non-current assets                                    |  |  |
| Property, plant and equipment                         | 110,025  | 267,066  |
| Intangible assets                                     | 78,143   | 99,682   |
| Investments and other assets                          | 802,532  | 691,429  |
| Total non-current assets                              | 990,701  | 1,058,178  |
| Total Assets  | 11,523,851   | 12,925,177   |
| <b>LIABILITIES</b>                                    |  |  |
| Current liabilities                                   |  |  |
| Short-term borrowings                                 | 74,000   | 20,000   |
| Current portion of bonds payable                      | 50,000   | 35,000   |
| Current portion of long-term borrowings               | 228,447  | 243,284  |
| Accounts payable - other                              | 2,332,414  | 2,058,078  |
| Income taxes payable                                  | 679,642  | 392,906  |
| Advances received                                     | 1,355  | 1,533,355  |
| Provision for bonuses                                 | 141,044  | 39,289   |
| Other   | 1,922,760  | 1,214,543  |
| Total current liabilities                             | 5,429,665  | 5,536,457  |
| Non-current liabilities                               |  |  |
| Bonds payable   | 90,000   | 65,000   |
| Long-term borrowings                                  | 419,987  | 407,564  |
| Provision for share awards                            | 16,326   | 18,053   |
| Retirement benefit liability                          | 4,552  | 4,328  |
| Asset retirement obligations                          | 52,183   | 80,985   |
| Other   | 28,052   | 29,375   |
| Total non-current liabilities                         | 611,102  | 605,307  |
| Total liabilities                                     | 6,040,768  | 6,141,765  |
| <b>NET ASSETS</b>                                     |  |  |
| Shareholders' equity                                  |  |  |
| Share capital   | 392,204  | 397,601  |
| Capital surplus                                       | 232,633  | 238,029  |
| Retained earnings                                     | 5,261,044  | 6,530,676  |
| Treasury shares                                       | (479,035)  | (478,884)  |
| Total shareholders' equity                            | 5,406,846  | 6,687,423  |
| Accumulated other comprehensive income                |  |  |
| Valuation difference on available-for-sale securities | (1,296)  | 380  |
| Total accumulated other comprehensive income          | (1,296)  | 380  |
| Share acquisition rights                              | 24,745   | 34,265   |
| Non-controlling interests                             | 52,787   | 61,342   |
| Total net assets                                      | 5,483,082  | 6,783,412  |
| Total liabilities and net assets                      | 11,523,851   | 12,925,177   |

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

(Thousand yen)

|  | First three quarters ended Nov. 2020<br>(March 1, 2020 – November 30, 2020) | First three quarters ended Nov. 2021<br>(March 1, 2021 – November 30, 2021) |
|--|---|---|
| Net sales  | 22,054,850  | 25,204,423  |
| Cost of sales                                    | 17,117,934  | 19,712,298  |
| Gross profit                                     | 4,936,915   | 5,492,125   |
| Selling, general and administrative expenses     | 2,675,881   | 3,279,531   |
| Operating profit                                 | 2,261,034   | 2,212,594   |
| Non-operating income                             |   |   |
| Interest income                                  | 481   | 209   |
| Dividend income                                  | 1,528   | 532   |
| Subsidy income                                   | 7,403   | 18,745  |
| Gain on sales of investment securities           | 30,140  | -   |
| Other  | 8,628   | 341   |
| Total non-operating income                       | 48,182  | 19,829  |
| Non-operating expenses                           |   |   |
| Interest expenses                                | 3,522   | 3,064   |
| Miscellaneous losses                             | -   | 2,179   |
| Other  | 2,171   | 369   |
| Total non-operating expenses                     | 5,693   | 5,613   |
| Ordinary profit                                  | 2,303,523   | 2,226,810   |
| Profit before income taxes                       | 2,303,523   | 2,226,810   |
| Income taxes-current                             | 771,975   | 725,931   |
| Income taxes-deferred                            | (71,762)  | (14,120)  |
| Total income taxes                               | 700,212   | 711,811   |
| Profit   | 1,603,310   | 1,514,998   |
| Profit attributable to non-controlling interests | 3,354   | 8,555   |
| Profit attributable to owners of parent          | 1,599,955   | 1,506,443   |



Quarterly consolidated statements of comprehensive income  
For the first three quarters

(Thousand yen)

|  | First three quarters ended Nov. 2020<br>(March 1, 2020 – November 30, 2020) | First three quarters ended Nov. 2021<br>(March 1, 2021 – November 30, 2021) |
|--|---|---|
| Profit   | 1,603,310   | 1,514,998   |
| Other comprehensive income                                     |   |   |
| Valuation difference on available-for-sale securities          | (452)   | 1,677   |
| Total other comprehensive income                               | (452)   | 1,677   |
| Comprehensive income   | 1,602,857   | 1,516,676   |
| Comprehensive income attributable to owners of parent          | 1,599,502   | 1,508,121   |
| Comprehensive income attributable to non-controlling interests | 3,354   | 8,555   |

(3) Notes to quarterly consolidated financial statement

(Notes to going concern assumptions)

None

(Significant change in shareholders' equity)

None

(Supplementary information)

(Accounting estimates for the impact of the COVID-19 pandemic)

There are no material changes in the assumptions to factor in the impact of the COVID-19 pandemic noted in the Supplementary Information section (Accounting estimates for the impact of the COVID-19 pandemic) of Securities Report for the previous consolidated fiscal year.

(Segment information, etc.)

[Segment information]

I For the first three quarters ended November 2020 (March 1, 2020 – November 30, 2020)

1. Information about sales and income (loss) by reporting segments

(Thousand yen)

|   | Reporting segments                  |   |                                  |            | Other<br>(Note 1) | Amount on the<br>quarterly consolidated<br>statements of income<br>(Note 2) |
|---|-------------------------------------|---|----------------------------------|------------|-------------------|---|
|   | Clerical human<br>resource services | Manufacturing<br>human resource<br>services | Sales human<br>resource services | Total      |                   |   |
| Net sales<br>(of which to outside<br>customers) | 18,533,561                          | 2,349,255                                   | 962,349                          | 21,845,166 | 209,683           | 22,054,850  |
| (of which intersegment)                         | -                                   | -   | -                                | -          | -                 | -   |
| Total   | 18,533,561                          | 2,349,255                                   | 962,349                          | 21,845,166 | 209,683           | 22,054,850  |
| Segment income                                  | 2,166,127                           | 41,734                                      | 35,091                           | 2,242,953  | 18,080            | 2,261,034   |

Note 1: "Other" is the automobile management business of Tokyo Jidosha Kanri which is not a reportable segment.

2: The segment income (loss) matches operating profit in the consolidated income statement.

2. Information about impairment loss or goodwill etc. in non-current assets by reporting segments

None

II For the first three quarters ended November 2021 (March 1, 2021 – November 30, 2021)

1. Information about sales and income (loss) by reporting segments

(Thousand yen)

|   | Reporting segments                  |   |                                  |            | Other<br>(Note 1) | Amount on the<br>quarterly consolidated<br>statements of income<br>(Note 2) |
|---|-------------------------------------|---|----------------------------------|------------|-------------------|---|
|   | Clerical human<br>resource services | Manufacturing<br>human resource<br>services | Sales human<br>resource services | Total      |                   |   |
| Net sales<br>(of which to outside<br>customers) | 21,213,833                          | 2,998,306                                   | 769,041                          | 24,981,181 | 223,242           | 25,204,423  |
| (of which intersegment)                         | -                                   | -   | -                                | -          | -                 | -   |
| 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 Jidosha Kanri which is not a reportable segment.

2: The segment income (loss) matches operating profit in the consolidated income statement.

2. Information about impairment loss or goodwill etc. in non-current assets by reporting segments

None