



# Financial Results for FY3/23

Careerlink Co., Ltd. (6070)  
Thursday, May 25, 2023



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- 02 Full-Year Earnings Forecast for FY3/24**
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## Net sales exceeded 50 billion yen in FY3/23\*.

- We steadily received orders for BPO projects, including spot transactions, from local governments and leading BPO providers. The amount of orders we received continued to increase in both the manufacturing & processing division and the food processing division. At the same time, the amount of orders we received for sales human resources service recovered.
- For profit, it's contributed by the sales growth, streamlined business operation of BPO projects, the rationalization and saving of expenses for soliciting registration, commissions, etc.

(Unit: Millions of yen)

	FY3/22 (13 months)	FY3/23 (12 months)*
<b>Consolidated</b>	<b>Net sales</b> (100%)	<b>52,536</b> (100%)
	<b>Operating profit</b> (10.3%)	<b>7,609</b> (14.5%)
	<b>Ordinary profit</b> (10.3%)	<b>7,645</b> (14.6%)
	<b>Profit attributable to owners of parent</b> (7.2%)	<b>5,711</b> (10.9%)

\*Our accounting period was changed in the previous term from the end of February to March 31. Furthermore, the Accounting Standard for Revenue Recognition has been applied since the beginning of this fiscal year. Accordingly, year-on-year increase/decrease rates are not written.

<Comparison under the inspection standards>

Figures are compared after assuming that the same accounting period in the previous fiscal year is April to March and adjusting net sales in the current term to meet the inspection standards in the previous fiscal year .

(Unit: Millions of yen, %)

	Previous term (Apr.-Mar.) after the accounting period adjustment (a)	Results of the current term (Apr.-Mar.) (b)	Effect of revenue recognition on the results of the current term (Apr.-Mar.) (c)	Results excluding the effect of revenue recognition on the results of the current term (d) (b-c = Inspection standards)	Y/y increase (d)-(a)	Y/y increase rate (d-a)/a
Net sales	39,729 (100%)	52,536 (100%)	284	52,252 (100%)	+12,523	+31.5%
Operating profit	3,839 (9.7%)	7,609 (14.5%)	264	7,344 (14.1%)	+3,505	+91.3%
Ordinary profit	3,856 (9.7%)	7,645 (14.6%)	264	7,381 (14.1%)	+3,524	+91.4%
Profit attributable to owners of parent	2,696 (6.8%)	5,711 (10.9%)	183	5,528 (10.6%)	+2,832	+105.0%

\*The application of the Accounting Standard for Revenue Recognition produced some effect on only the BPO-related business segment among the clerical human resources service business, and no effect on the CRM-related business segment, office services business segment, and other segment.

## <Comparison under the Accounting Standard for Revenue Recognition>

Figures are compared after assuming that the same accounting period in the previous fiscal year is April to March and adjusting the previous period to meet the Accounting Standard for Revenue Recognition.

(Unit: Millions of yen, %)

	Previous term (Apr.-Mar.) after the accounting period adjustment (a)	Effect of revenue recognition on the results of the previous term (Apr.-Mar.) (b)	Results including the effect of revenue recognition on the results of the previous term (Apr.-Mar.) (c = a+b)	Results of the current term (d)	Y/y increase (d)-(c)	Y/y increase rate (d-c)/c
Net sales	39,729 (100%)	-681	39,047	52,536 (100%)	+13,488	+34.5%
Operating profit	3,839 (9.7%)	-659	3,179	7,609 (14.5%)	+4,429	+139.3%
Ordinary profit	3,856 (9.7%)	-659	3,197	7,645 (14.6%)	+4,448	+139.1%
Profit attributable to owners of parent	2,696 (6.8%)	-457	2,238	5,711 (10.9%)	+3,473	+155.1%

\*The figures in this table are not subject to review by audit corporation.

After assuming that the same accounting period in the previous fiscal year is April to March, the year-on-year increases under the Accounting Standard for Revenue Recognition and the inspection standards were compared.

(Unit: Millions of yen, %)

	Increase under the Accounting Standard for Revenue Recognition (a)	Increase under the inspection standards (b)	Difference between the increases under the Accounting Standard for Revenue Recognition and the inspection standards (a)-(b)	Difference ratio (with respect to the inspection standards) (a-b)/b
Net sales	13,488	12,523	965	7.7%
Operating profit	4,429	3,505	923	26.3%
Ordinary profit	4,448	3,524	923	26.2%
Profit attributable to owners of parent	3,473	2,832	640	22.6%

\*The figures in this table are not subject to review by audit corporation.

## Results by segments

		FY3/22 (13 months)	FY3/23 (12 months)	(Unit: Millions of yen)
Clerical human resources	Net sales	37,124	45,666	
	Segment profit	4,252 (11.5%)	7,381 (16.2%)	
Manufacturing human resources	Net sales	4,590	5,483	
	Segment profit	156 (3.4%)	202 (3.7%)	
Sales human resources	Net sales	1,065	1,092	
	Segment profit	-8 (-)	-2 (-)	
Other human resources	Net sales	320	294	
	Segment profit	23 (7.2%)	27 (9.2%)	
Total	Net sales	43,100	52,536	
	Operating profit	4,423 (10.3%)	7,609 (14.5%)	

\*Our accounting period was changed in the previous term, so the current term (April 2022 to March 2023) is different from the previous term (March 2021 to March 2022). Therefore, year-on-year increase/decreases are not written.



## BPO-related business segment

- Orders received for BPO projects, including spot transactions, remained strong focused on Social Security and Individual Number, benefit and welfare projects from local governments and leading BPO providers.
- We proactively worked to cultivate transactions with local governments with which we had no transactions. As a result, transactions expanded.

## CRM-related business segment

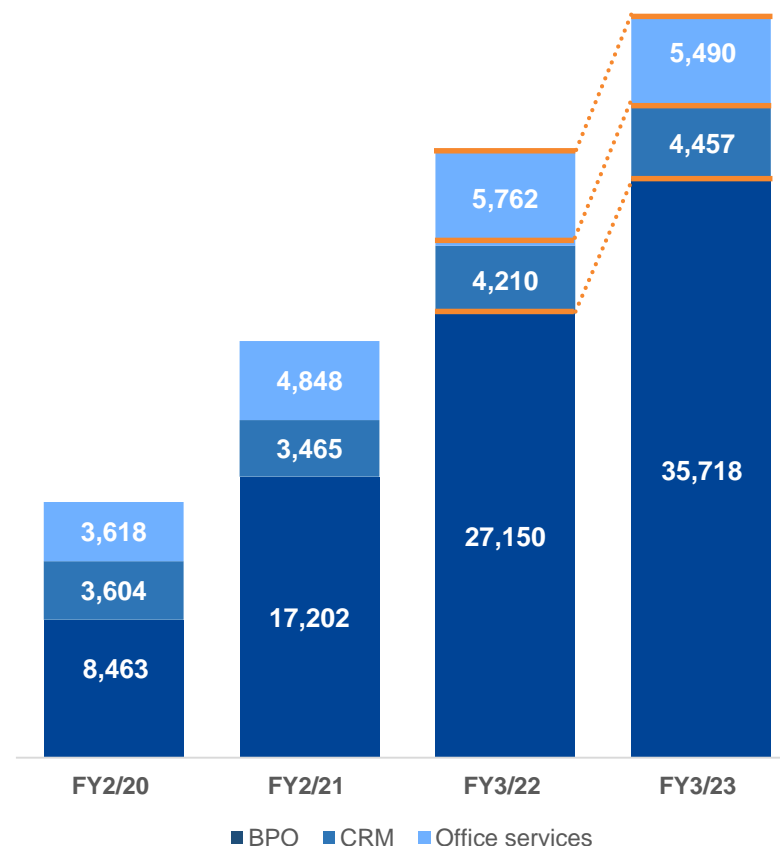
- Orders received for various projects remained strong including welfare, mail order and finance projects from telemarketing business operators in local branches mainly in Sapporo and Fukuoka.
- In the Tokyo Metropolitan Area and the Kansai area, we steadily received orders for continued transactions from existing clients, including telemarketing business operators, and new orders from government offices.

## Office services business segment

- We received new orders for the dispatch of workers in a wide range of fields such as general affairs in local governments and operations related to services for citizens.

## Variation and breakdown in sales of clerical human resources service

(Unit: Millions of yen)

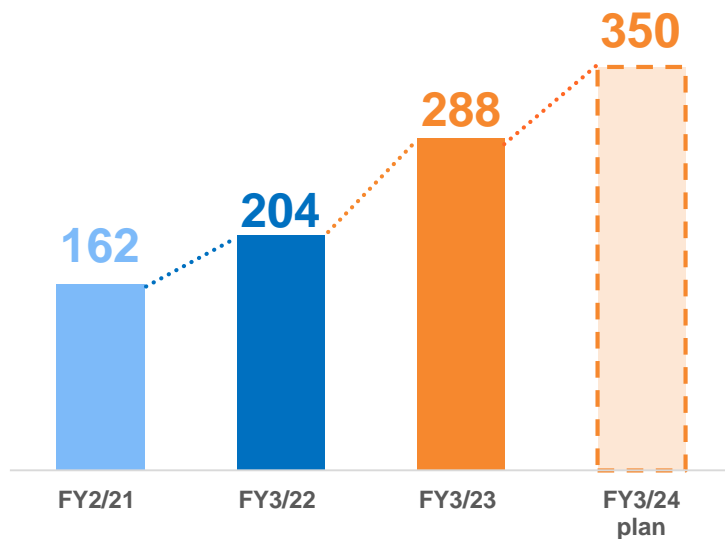


## Variation in the number of core personnel and the number of orders for BPO projects

- We recruited and trained core personnel in order to improve our marketing capability and our capacity to deal with commissioned projects. As a result, the number of core personnel exceeded the initial target of 300, and reached 338 as of the end of FY3/23. The average number is 288 for FY3/23.
- We had 141 BPO projects, exceeding our initial target of 130.
- Moreover, our number of collaborators, joint ventures and other business partners steadily increased to 36 companies, up 50% year-on-year.

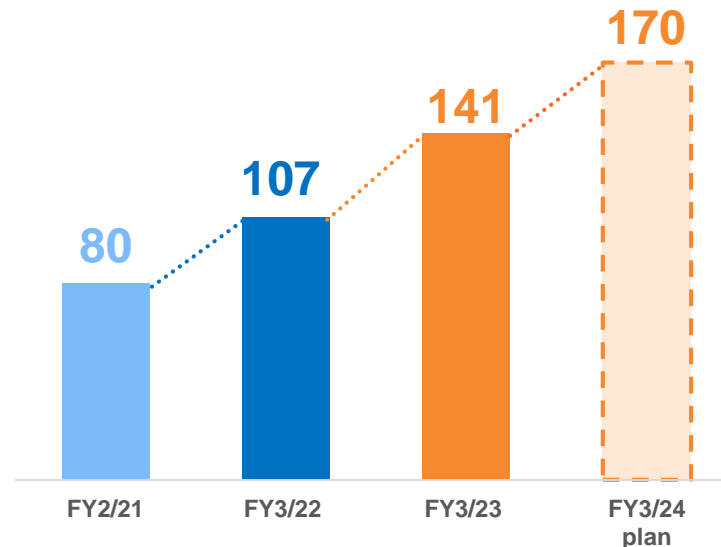
### Variation in the number of core personnel

(Unit: People)



### Variation in the number of BPO projects

(Unit: Projects)



\*The number of core personnel means the average number of core personnel enrolled in each period.

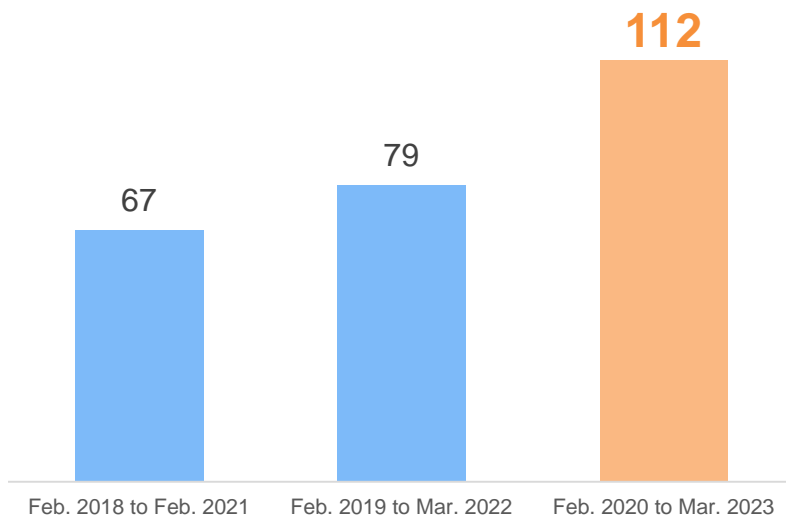
## Expansion of transactions with local governments

- We proactively cultivated transactions with local governments with which we had no transactions. We started new transactions with 33 local governments in FY3/23.
- We increased the number of local governments with which we have transactions to 112 in total in FY3/23. We have had transactions with 16 out of the 20 government-designated cities.

## Our rate of repeat transactions remains high at about 80%.

- Our management record has been praised. We continued to have a high repeat rate for continuous transactions with local governments.

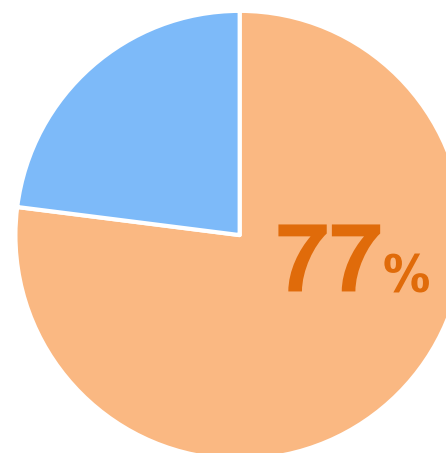
Variation in number of local governments with which we have transactions



\*Prefecture/Municipality

\*Includes dispatch destination

Repeat rate of client local governments



\*Actual results for FY3/23

## Sales generated from existing BPO clients continue to grow.

- Transactions with local governments continued to expand. That contributed to the increase in our five-year average NRR to 112.8%\* from 110.8% in the previous term.
- We expect transactions with local governments with which we have newly started transactions to further increase in the future.

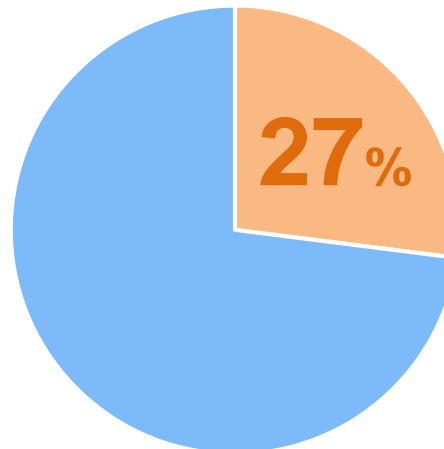
\*NRR is Net Revenue Retention, calculated by the equation:  $NRR = (\text{Total revenue in a year from customers with whom transactions were made in the previous term}) / (\text{Total revenue from the same customers in the previous term})$ .

\*Actual numbers are not disclosed. \*Five-year average NRR is 112.8%.

## Our spot sales ratio was slightly higher than in a usual year.

- Our BPO operation results have been praised. That led to an increase in inquiries.
- The orders we received for extraordinary large projects focused on those relating to welfare inflated our spot sales ratio.

Spot sales ratio



\*Actual results for FY3/23

\*Company estimates based on order trends by customer

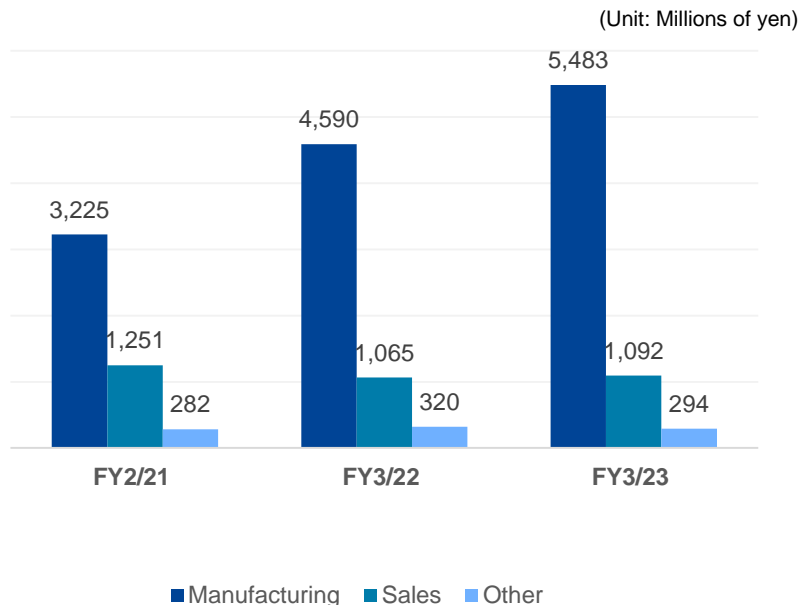
## Manufacturing human resources service business saw growth in sales and profit.

- We increased new clients, cemented the cooperation among branches, and expanded the number of clients and transaction volume.
- As a result, we increased the number of orders for manufacturing of machinery, electric appliances, and transportation equipment in the manufacturing & processing division, and orders for the cooking of delicatessen, frozen food, etc. in the food processing division.

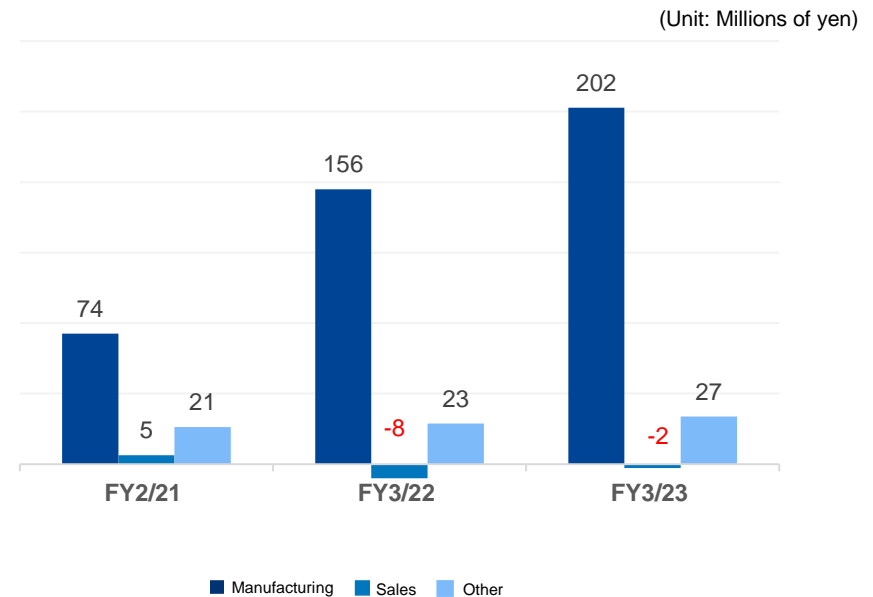
## Sales human resources service business is stagnant.

- Since the restrictions on activities for preventing the spread of COVID-19 were virtually lifted, we strived to increase new clients and make more transactions with existing clients, so performance improved.

Variations in **sales** of manufacturing and sales human resources services and other human resources service



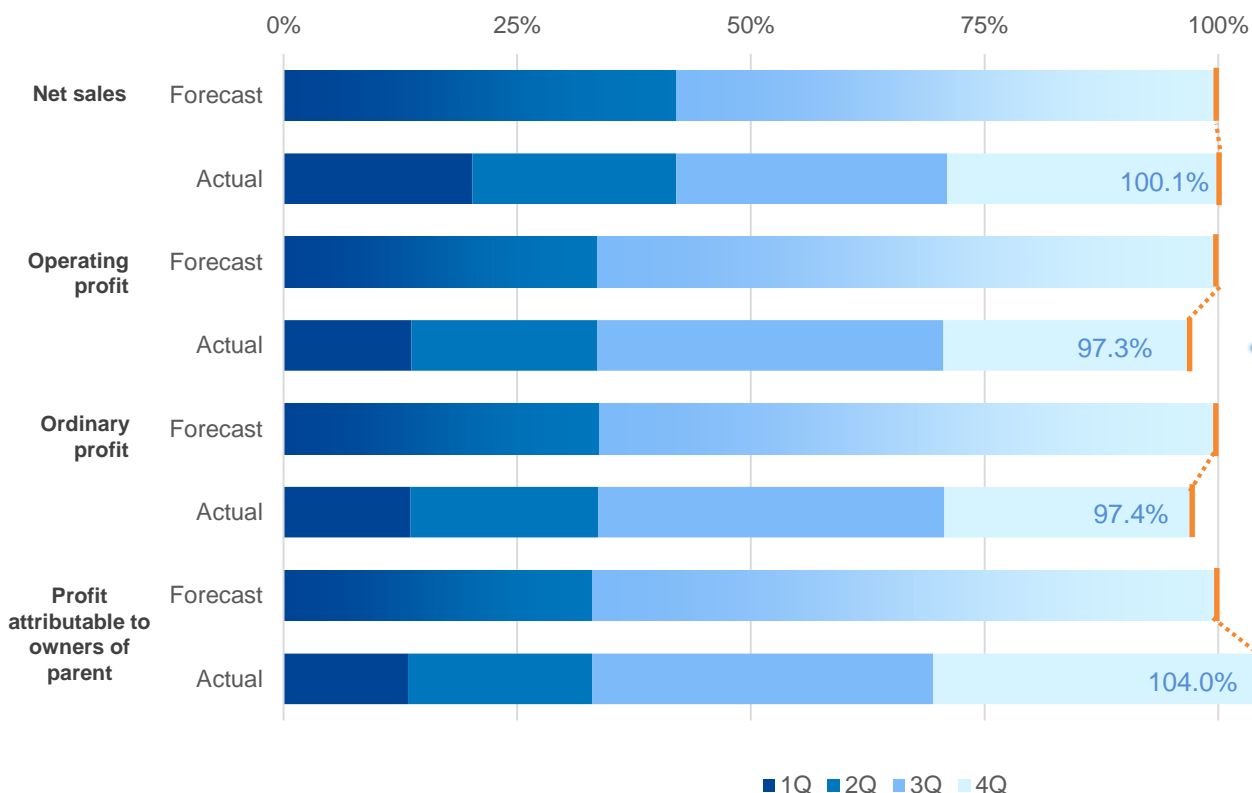
Variations in **segment profits** of manufacturing and sales human resources services and other human resources service



## Progress towards the forecasts announced in March 2023

- Recruitment expenses were higher than we expected. Nevertheless, performance was almost as planned.
- We exceeded the forecasts announced in November with net sales at **104%**, operating profit and ordinary profit at **119%** and profit attributable to owners of parent at **130%**.

### Progress with respect to forecasts



#### Downturn factors

•Among the projects whose contracts were updated at the end of February, **there were ones with an amount lower than we expected.**

•There were more applications for experienced core personnel than we expected. That meant **recruitment expenses were higher than we forecast.**

#### Upturn factors

•We were able to **apply tax credits for promotion of salary increases.**

■ 1Q ■ 2Q ■ 3Q ■ 4Q

	FY2/21	FY3/22 (13 months)	FY3/23	
	Amount (millions of yen)	Amount (millions of yen)	Amount (millions of yen)	Change from the previous period (millions of yen) and the ratio (%)
<b>Net sales</b>	30,276	43,100	<b>52,536</b>	-
<b>Clerical human resources service     business (% of sales)</b>	25,517 84.3%	37,124 86.1%	<b>45,666</b> 86.9%	-
<b>BPO-related business segment (% of     sales)</b>	17,202 56.8%	27,150 63.0%	<b>35,718</b> 68.0%	-
<b>CRM-related business segment (% of     sales)</b>	3,465 11.4%	4,210 9.8%	<b>4,457</b> 8.5%	-
<b>Office services business segment (%     of sales)</b>	4,848 16.0%	5,762 13.4%	<b>5,490</b> 10.5%	-
<b>Manufacturing human resources     service business (% of sales)</b>	3,225 10.7%	4,590 10.7%	<b>5,483</b> 10.4%	-
<b>Sales human resources service     business (% of sales)</b>	1,251 4.1%	1,065 2.5%	<b>1,092</b> 2.1%	-
<b>Other human     resources (% of sales)</b>	282 0.9%	320 0.7%	<b>294</b> 0.6%	-
<b>Operating profit (operating margin)</b>	2,729 9.0%	4,423 10.3%	<b>7,609</b> 14.5%	-
<b>Ordinary profit (ordinary profit margin)</b>	2,772 9.2%	4,441 10.3%	<b>7,645</b> 14.6%	-
<b>Profit attributable to owners of parent (net income margin)</b>	2,053 6.8%	3,114 7.2%	<b>5,711</b> 10.9%	-

\*Our accounting period was changed and the Accounting Standard for Revenue Recognition has been applied since the first quarter of this fiscal year. Accordingly, year-on-year increase/decrease rates are not written.

		FY3/22	FY3/23		
		Amount (millions of yen)	Amount (millions of yen)	Change from the end of the previous term (millions of yen)	Major factors in increase/decrease (Amounts are in millions of yen)
	<b>Current assets</b>	15,326 92.6%	<b>20,279</b> 93.0%	4,952	Cash and deposits: -1,933
	<b>Non-current assets</b>	1,217 7.4%	<b>1,530</b> 7.0%	313	Notes, accounts receivable- trade and contract assets: +14,668
<b>Total assets</b>		16,543 100%	<b>21,809</b> 100%	5,265	Notes and accounts receivable-trade: -7,962
	<b>Current liabilities</b>	7,374 44.6%	<b>7,455</b> 34.2%	80	Accounts payable-other: +353
	<b>Non-current liabilities</b>	765 4.6%	<b>827</b> 3.8%	62	Income taxes payable: +228
<b>Total liabilities</b>		8,139 49.2%	<b>8,283</b> 38.0%	143	Accrued expenses: -125
<b>Total net assets</b>		8,404 50.8%	<b>13,526</b> 62.0%	5,122	Consumption taxes payable: -478
<b>Total liabilities and net assets</b>		16,543 100.0%	<b>21,809</b> 100.0%	5,265	Retained earnings: +5,049

\*Our accounting period was changed and the Accounting Standard for Revenue Recognition has been applied since the first quarter of this fiscal year. Accordingly, year-on-year increase/decrease rates are not written.



		FY3/22	FY3/23	
		Amount (millions of yen)	Amount (millions of yen)	Major factors in increase/decrease (Amounts are in millions of yen)
	<b>Cash flow from operating activities</b>	976	<b>-1,209</b>	Profit before income taxes: +7,645 Increase in accounts payable-other: +312 Depreciation and amortization: +262 Increase in trade receivables and contract assets: -6,977 Decrease in consumption taxes payable: -478
	<b>Cash flow from investing activities</b>	-282	<b>-319</b>	Purchase of property, plant, and equipment and intangible assets: -195 Payment of security deposits and guarantee money: -167
	<b>Free cash flow</b>	694	<b>-1,528</b>	
	<b>Cash flow from financing activities</b>	-98	<b>-405</b>	Proceeds from long-term borrowings: +400 Repayment of long-term borrowings: -284 Payment of dividends: -473
	<b>Change in cash and cash equivalents</b>	596	<b>-1,933</b>	
	<b>Cash and cash equivalents at the beginning of the term</b>	6,435	<b>7,031</b>	
	<b>Cash and cash equivalents at the end of the term</b>	7,031	<b>5,097</b>	

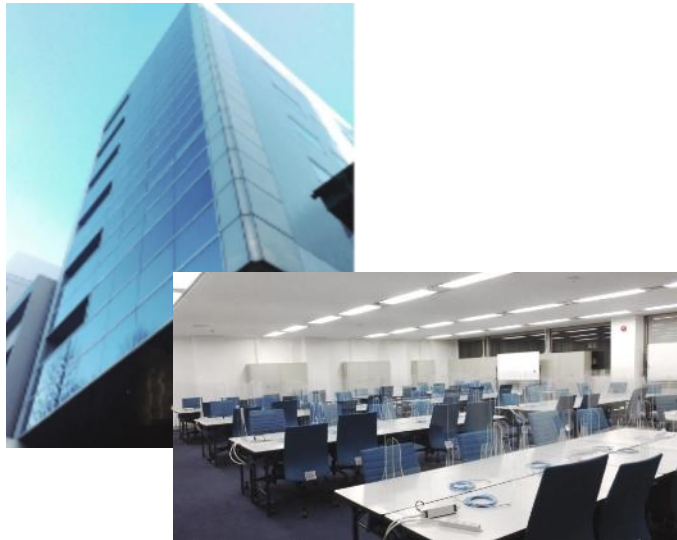
## We opened Nara Satellite Office in December and Shiga Satellite Office in January.

- For the purpose of increasing the amount of orders in the Kinki region, we will strive to streamline our marketing activities and strengthen our marketing base.

## We opened BPO Centers in Sendai and Fukushima.

- We established a BPO Center in Sendai in December 2022 and another one in Fukushima in January 2023.
- We will strive to fortify our BPO operation base in the Tohoku region.

### Sendai BPO Center



### Fukushima BPO Center



**In February 2023, we opened Toyama, Kanazawa and Shizuoka Satellite Offices, and in March 2023, we opened Sakaihigashi Satellite Office.**

- For the purpose of increasing the amount of orders in Hokuriku and areas near Shizuoka and Osaka, we will strive to streamline our marketing activities and strengthen our marketing base.

**We opened a Chiba BPO Center, and relocated and expanded the floor of Osaka Branch and Yokohama Office.**

- In March, we opened a Chiba BPO Center.
- In April, we relocated and expanded the floor of Osaka Branch and Yokohama Office.

## Chiba BPO Center



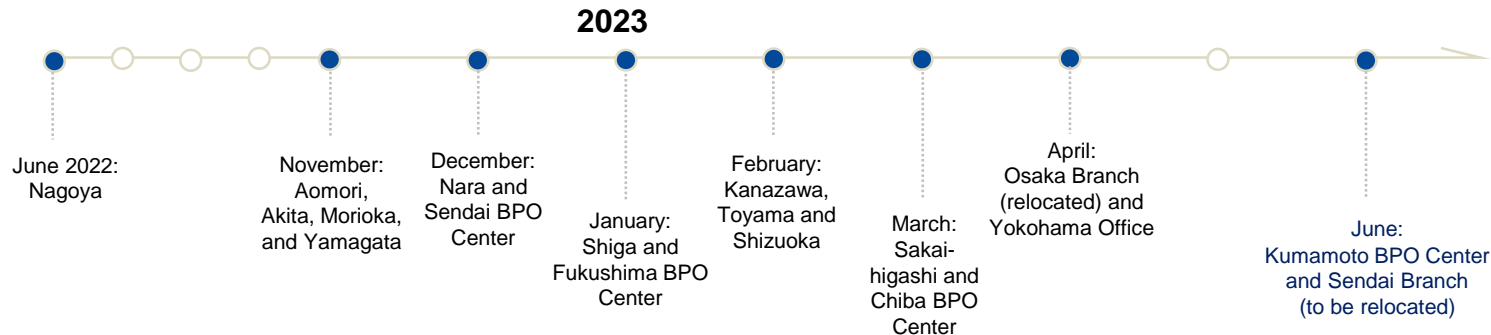
## Osaka Branch (after relocation)



## We opened a Kumamoto BPO Center, and plan to relocate and expand the floor of a Sendai Branch in June 2023.

- For the purpose of increasing the amount of orders in the Kyusyu and Tohoku regions, we will strive to streamline our marketing activities and strengthen our marketing base.
- For the purpose of increasing the amount of orders in central cities and areas surrounding these cities, we will develop bases even after June.

### Business establishments we opened



### List of offices, satellite offices and BPO Centers

- |                             |                             |                                |   |            |
|-----------------------------|-----------------------------|--------------------------------|---|------------|
| • Aomori Satellite Office   | • Kanazawa Satellite Office | • Sendai BPO Center            | • Yokohama Office (previously located in Shin-yokohama) | <b>NEW</b> |
| • Akita Satellite Office    | • Shizuoka Satellite Office | • Fukushima BPO Center         | • Sakai-higashi Satellite Office                        | <b>NEW</b> |
| • Morioka Satellite Office  | • Nagoya Satellite Office   | • Yokohama Kannai BPO Center   | • Chiba BPO Center                                      | <b>NEW</b> |
| • Yamagata Satellite Office | • Shiga Satellite Office    | • Osaka Yodoyabashi BPO Center |   |            |
| • Makuhari Satellite Office | • Kyoto Satellite Office    | • Kobe BPO Center              |   |            |
| • Toyama Satellite Office   | • Nara Satellite Office     |                                |   |            |

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- We will aim to increase net sales in FY3/24 by further increasing the number of new transactions with local governments, expanding the amount of orders we receive from local governments with which we have transactions and increasing the amount of orders from BPO providers.
- On the other hand, in terms of profit, we predict there will be an increase in expenses for soliciting staff registration, an increase in the number of employees due to mid-career recruitment and an increase in system development expenses. Therefore, we expect a decrease in income.

(Unit: Millions of yen)

	FY3/23 actual	FY3/24 forecast	Increase/decrease rate	
<b>Consolidated</b>	<b>Net sales</b>	<b>52,536</b>	<b>62,365</b>	<b>18.7%</b>
	<b>Operating profit</b>	<b>7,609</b>	<b>7,010</b>	<b>-7.9%</b>
	<b>Ordinary profit</b>	<b>7,645</b>	<b>7,007</b>	<b>-8.3%</b>
	<b>Profit attributable to owners of parent</b>	<b>5,711</b>	<b>4,799</b>	<b>-16.0%</b>
<b>Sales by Segment</b>	<b>Clerical human resources service business</b>	<b>46,758</b> <small>(Includes 1,092 million yen of sales human resources service business)</small>	<b>55,030</b>	<b>17.7%</b>
	<b>Manufacturing human resources service business</b>	<b>5,483</b>	<b>7,050</b>	<b>28.6%</b>
	<b>Other human resources</b>	<b>294</b>	<b>285</b>	<b>-3.1%</b>

\*We will integrate the sales human resources service business into the BPO-related business segment in the clerical human resources service business in FY3/24. Therefore, we have net sales for the applicable segment for FY3/23 included in the clerical human resources service business.

## Clerical human resources service business

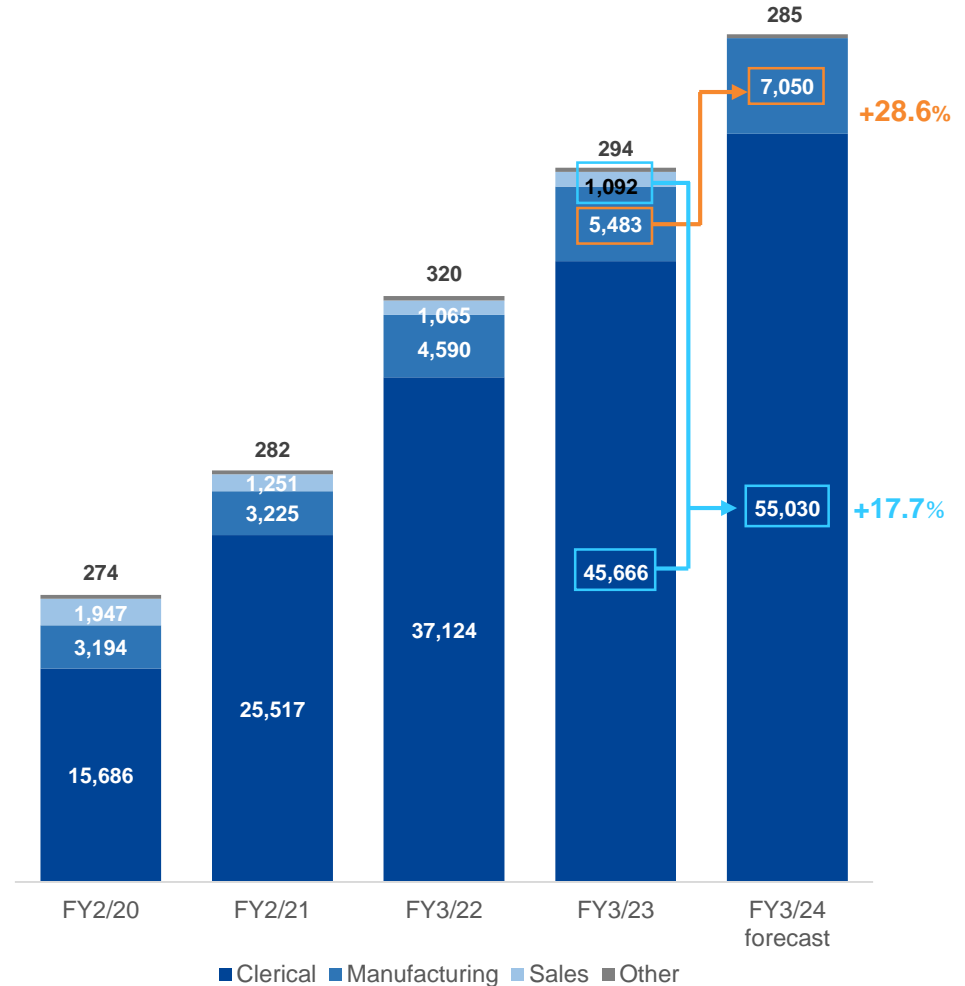
- We will allocate core personnel who are ready to be an immediate asset following mid-career recruitment (338 employees as of the end FY3/23) to work on receiving orders and the operation of commissioned projects.
- We will strive to expand new transactions with local governments with which we have no transactions, expand our share with local governments with which we have transactions and expand the amount of orders from BPO providers.
- We will expand our business by incorporating other new operations in addition to the Social Security and Individual Number operations which local governments are working to expand, benefit and grant operations, counter and general affairs operations, and legal enforcement and revision operations.
- We will continue to build a structure looking ahead to the next fiscal year and beyond.

## Manufacturing human resources service business

- We expect the amount of orders we receive to continue increasing at new sales bases and existing sales bases.

## Variation in sales in each segment

(Unit: Millions of yen)



\*We will integrate the sales human resources service business into the BPO-related business segment in the clerical human resources service business in FY3/24.

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## We formulated the new medium-term profit plan until FY3/26.

- Excluding net sales, we have already achieved the medium-term profit plan for the previous term (net sales of 61,476 million yen, operating profit of 6,053 million yen and profit attributable to owners of parent of 4,139 million yen by FY3/25). Therefore, we have formulated upwardly revised targets.
- We will promote proactive investment plans and wide-area deployment of public BPO to achieve the medium-term profit plan.

(Unit: Millions of yen)

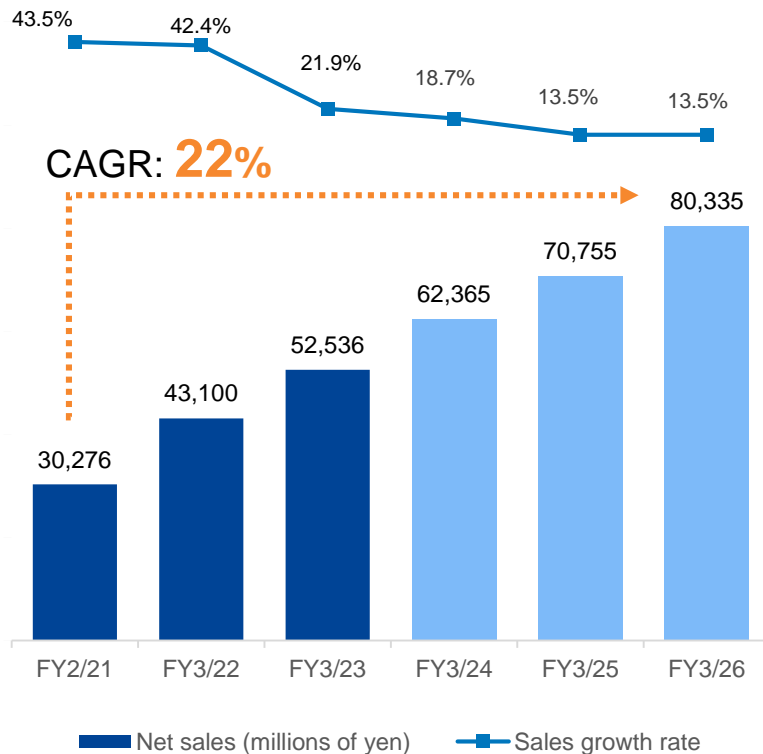
	<b>FY3/23 actual</b>	<b>FY3/24 forecast</b>	<b>FY3/25 plan</b>	<b>FY3/26 plan</b>
<b>Net sales</b>	<b>52,536</b>	<b>62,365</b>	<b>70,755</b>	<b>80,335</b>
<b>Operating profit</b>	<b>7,609</b>	<b>7,010</b>	<b>7,972</b>	<b>9,384</b>
<b>Ordinary profit</b>	<b>7,645</b>	<b>7,007</b>	<b>7,969</b>	<b>9,381</b>
<b>Profit attributable to owners of parent</b>	<b>5,711</b>	<b>4,799</b>	<b>5,434</b>	<b>6,396</b>

Consolidated

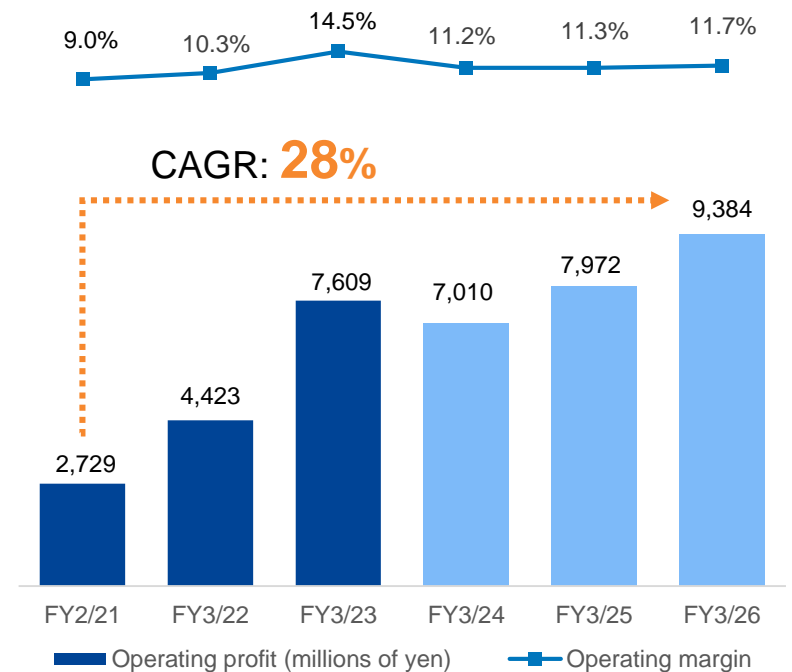
## CAGR of operating profit is projected to be over 20%.

- With FY3/26 as the final fiscal year, we will aim to achieve CAGR of net sales and operating profit up 18% and 23%, respectively, over the next six years.

### Variations in net sales and sales growth rate



### Variations in operating profit and operating margin



\*CAGR is the average annual growth rate over the six-year period ending with FY3/26.

## Sales plan in each segment

- To aim for sustainable annual growth of 15% in the clerical human resources service business.
- To aim for annual growth exceeding 20% in the manufacturing human resources service business. (Unit: Millions of yen)

	FY3/23 actual	FY3/24 forecast	FY3/25 plan	FY3/26 plan	
<b>Sales in each segment</b>	<b>Clerical human resources</b> <small>(Includes 1,092 million yen of sales human resources service business)</small>	<b>46,758</b>	<b>55,030</b>	<b>61,885</b>	<b>69,985</b>
	<b>Manufacturing human resources</b>	<b>5,483</b>	<b>7,050</b>	<b>8,580</b>	<b>10,050</b>
	<b>Other human resources</b>	<b>294</b>	<b>285</b>	<b>290</b>	<b>300</b>

Due to the change in segment, the sales human resources service business will be integrated into the BPO-related business segment in the clerical human resources service business in the first quarter of FY3/24.

### ■ Example of net sales in the BPO-related business segment

FY3/24	FY3/25	FY3/26
<b>[Local government]</b> 246 million yen <sup>*1</sup> x 84 projects <sup>*2</sup> x 1.3 <sup>*3</sup> = 27,690 million yen (A)	<b>[Local government]</b> 210 million yen <sup>*1</sup> x 98 projects <sup>*2</sup> x 1.7 <sup>*3</sup> = 34,330 million yen (A)	<b>[Local government]</b> 170 million yen <sup>*1</sup> x 101 projects <sup>*2</sup> x 2.5 <sup>*3</sup> = 42,410 million yen (A)
<b>[Private companies]</b> 246 million yen <sup>*1</sup> x 58 projects <sup>*4</sup> = 14,268 million yen (B)	<b>[Private companies]</b> 210 million yen <sup>*1</sup> x 60 projects <sup>*4</sup> = 12,660 million yen (B)	<b>[Private companies]</b> 170 million yen <sup>*1</sup> x 62 projects <sup>*4</sup> = 10,540 million yen (B)
<b>[Total]</b> “(A) + (B)” is nearly equal to 41,960 million yen.	<b>[Total]</b> “(A) + (B)” is nearly equal to 47,000 million yen.	<b>[Total]</b> “(A) + (B)” is nearly equal to 52,950 million yen.

\*1: Estimate for average contract amount of BPO project (excluding spot transactions) (Reference: Average contract amount excluding spot transactions in FY3/23: 246 million yen)

\*2: Forecast of the number of local governments in a single fiscal year [ $\cong$  < (expected number of local governments with which we had transactions in the previous term x repeat rate of 80%) + expected increase in number of local governments > x (1 - spot ratio)]

\*3: Forecast of multiple projects ratio excluding spot transactions

\*4: Forecast of the number of BPO projects from private companies (56 in FY3/23)

Promote the deepening of BPO from local governments and the diversification of projects with the aim of net sales at 80 billion yen



### Priority areas for FY3/24

- (1) Operations related to Social Security and Individual Number (including operations for integrated utilization with driver's licenses and health insurance cards and renewal operations (ongoing))
- (2) Counter operations and general affairs-related operations (ongoing)
- (3) Operations related to childbirth and childrearing support business implemented in FY2023 (examples: nationwide free school lunches) (ongoing)
- (4) Operations related to economic normalization after the COVID-19 pandemic and various benefits and subsidies to cope with high prices (ongoing for a suitable period)
- (5) Welfare-related consultation center operations (ongoing)

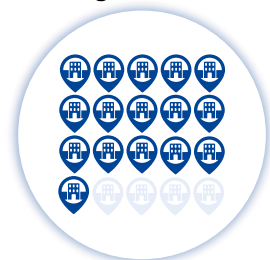
\*Rounded to the nearest billion yen

## Further increase the number of local governments with which we start new transactions by expanding bases

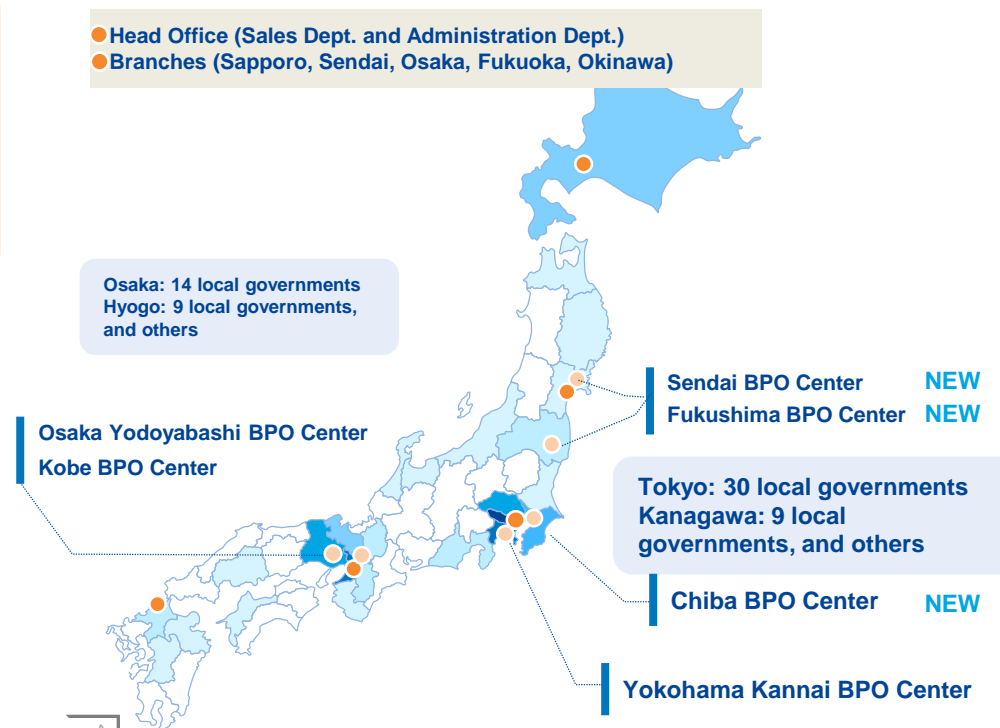
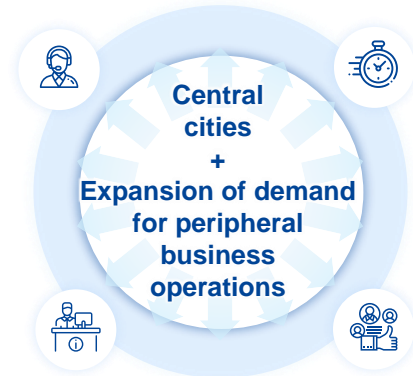
- We will increase the number of local governments with which we have transactions and the size of those transactions and maintain them by promoting the wide-area deployment of BPO in local governments and acquisition of multiple projects.
- We will promote strengthening of quality control, recruitment and training of core personnel, and the construction of a service structure assuming decentralization.



Among 20 government-designated cities



**We have experiences in 16 cities.**



**Business expansion to meet the demand from major local governments around Japan**

## Aiming to increase the number of local governments with which we have transactions while expanding the scope of business domains with public BPOs

- We will aim to increase the number of local governments with which we have new transactions, diversify projects and expand business domains by expanding our regional bases.
- We will expand alliance partnerships with leading companies in each area in addition to business operations by ourselves.

### Main projects with public agencies (examples)



- Counter-related operations at citizen's section
- Counter-related operations for general inquiries
- Municipality facility administration operations
- Census-related operations
- Passport issuance operations
- Immigration/emigration control and quarantine operations
- Driver's license-related operations
- Administrative operations for health checkup
- Immunization-related operations
- Childbirth and childcare-related operations
- Childrearing support-related operations
- Childcare and nursing care personnel support operations
- Nationwide free school lunch operations



- National pension and employee pension-related operations
- National health insurance-related operations
- Nursing care insurance-related operations
- Taxation-related operations
- Latter-stage elderly healthcare system-related operations
- Designated intractable disease medical care-related operations
- Garbage collection center reception operations
- Election-related operations
- Dispatch of substitutes when staff members take a leave
- Hometown tax-related operations
- Public assistance-related operations (including health support for protected persons)
- Bank transfer scam prevention operations
- Zero carbon promotion measure operations



- Operations related to various benefits for economic measures
- Operations related to various benefits for childcare
- SME support related-operations
- Energy saving support operations
- Social Security and Individual Number promotion operations
- Social Security and Individual Number Point-related operations
- Business trip application support
- RPA operation support operations
- ICT support staff dispatch
- Employment-related operations for moving from big city in various forms
- Job seeker support operations
- Empty house countermeasures-related operations

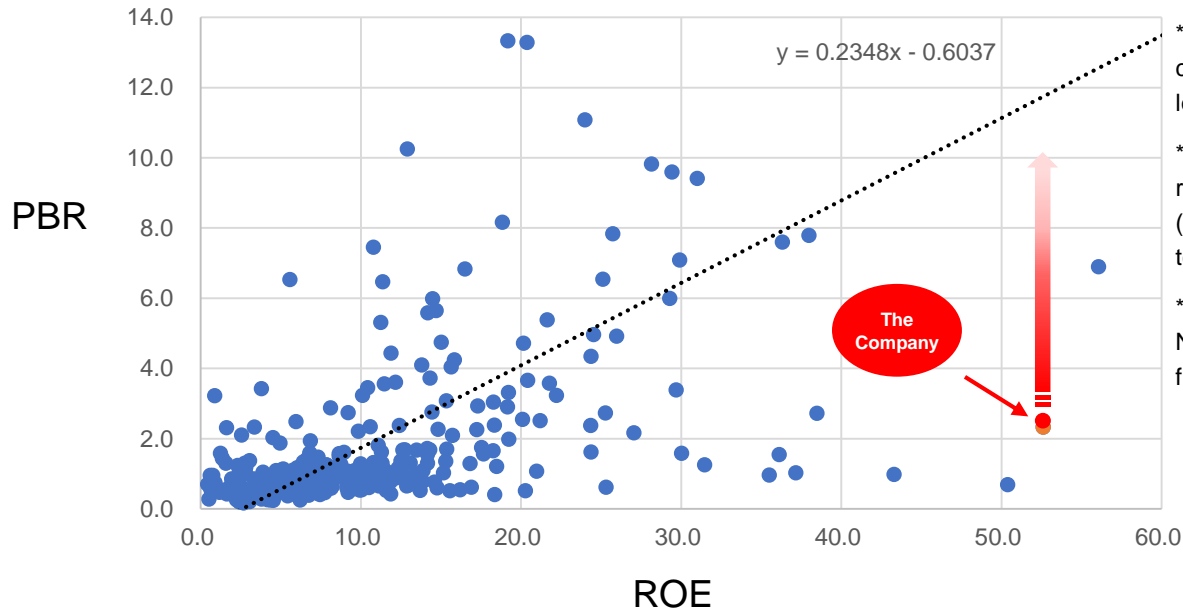


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- 03 Medium-Term Profit Plan
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**The Company's PBR is relatively low for the correlation between ROE and PBR.**

- As shown in the chart below, there is a positive correlation between ROE and PBR for companies of similar size to the Company.
- Applying the Company's ROE of 52.6%, the current PBR of 2.34 as of the end of FY3/23 has room to grow.

ROE/PBR of listed companies with a market capitalization of 30 to 50 billion yen

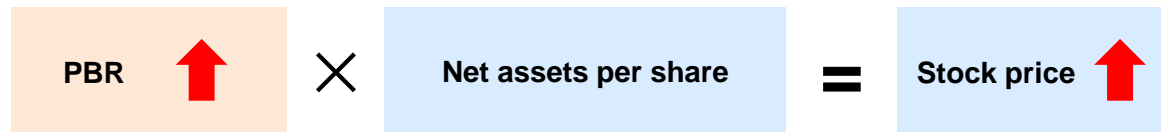


\*As of May 16, 2023. 321 stocks with a market capitalization of 30 to 50 billion yen, excluding loss-making stocks, were taken from Bloomberg.

\*ROE (return on equity) = Net income (actual results for FY3/23) ÷ Shareholders' equity (average value between the end of the previous term and the end of this term).

\*PBR (price book value ratio) = Share price ÷ Net assets per share (as of the end of the latest fiscal year).

**Correlation between PBR and stock price**





Sharing medium-term management indicators across the group, we aim for sustainable improvement of corporate value.

- Our group's key management indicators are net sales, operating profit, operating margin, profit attributable to owners of parent, and ROE.
- We pay attention to the cost of capital and will work to improve return on shareholders' equity.
- We will continue to achieve ROE that exceeds the cost of shareholders' equity in order to sustainably increase corporate value.

Cost of cost of  
shareholders' equity

**9.0%**

(The Company's perception  
of the current situation)

Ratio of net income to  
own capital

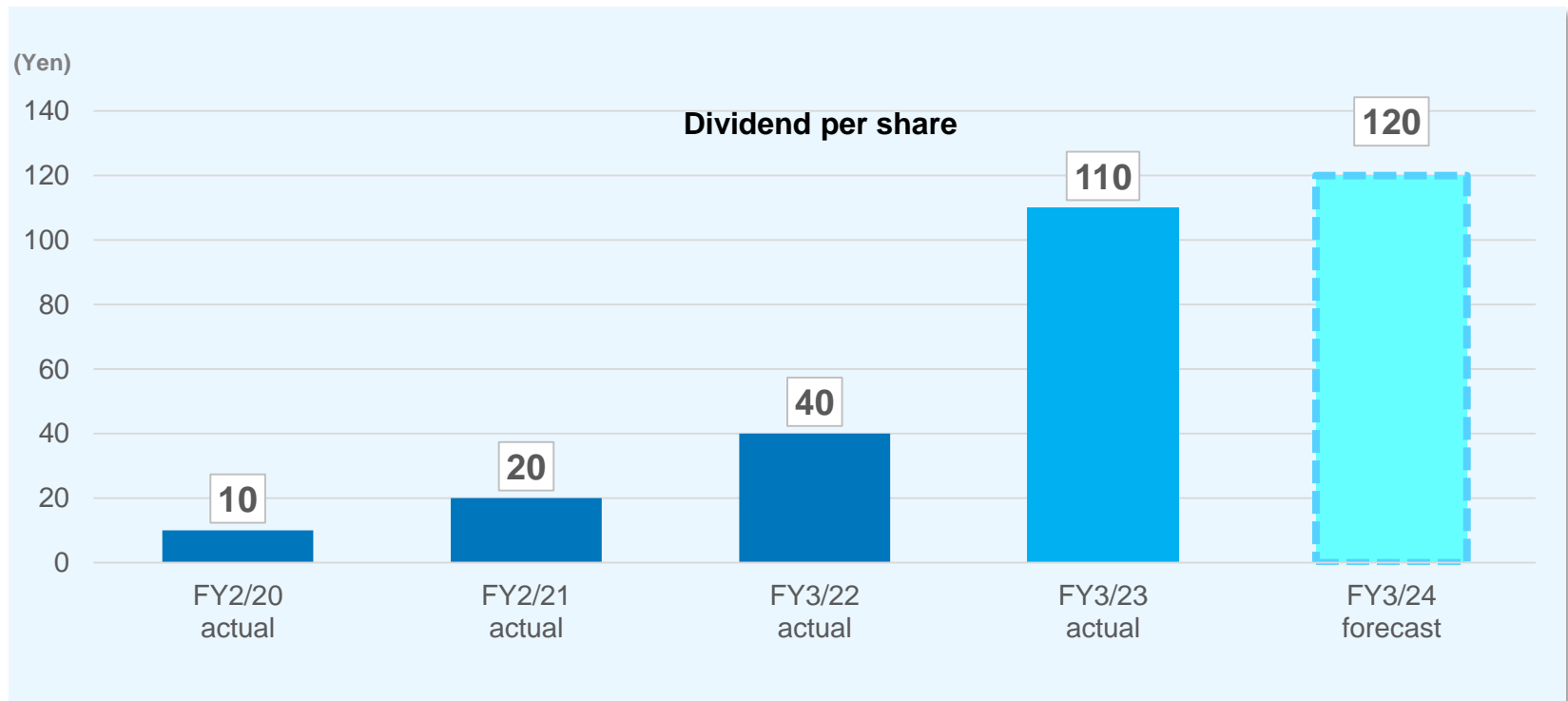
<Return on equity>

**ROE 52.6%**  
(Actual results for FY3/23)

Sustainable  
corporate  
value improvement

## Dividend is estimated to be 120 yen per share for FY3/24.

The Company's basic policy is to continue to pay appropriate and stable dividends based on a comprehensive assessment of business performance and overall management, while securing the internal reserves necessary for business development for sustainable growth and strengthening the management base. The year-end dividend for FY3/22 was 40 yen per share, and for FY3/23, it was increased to 110 yen per share, with a forecast of 120 yen per share for FY3/24 (payout ratio of 29.7%).

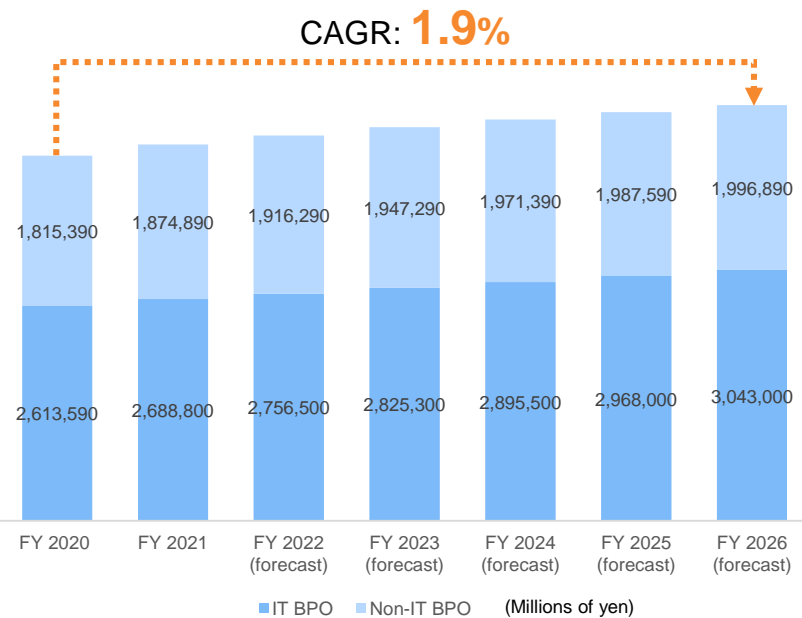


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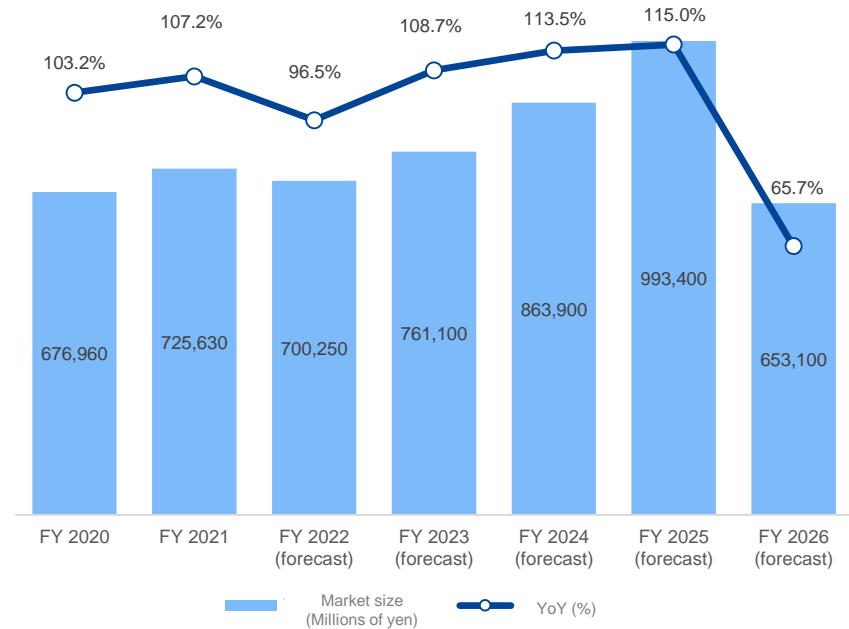
## BPO and municipal solution market sizes to expand toward FY 2025

- We **expect the BPO market to continue growing** driven by the growing momentum for outsourcing in public agencies and a review of business operations by private companies due to digital transformation.
- On the other hand, we expect to reach a turning point in FY 2026 when the standardization of core systems and the transition to the government cloud will have been completed in the solutions market for local governments. Nevertheless, we **expect to continue seeing strong results with our target of non-IT operations**.

**BPO service market forecast**



**Municipal solution market forecast**

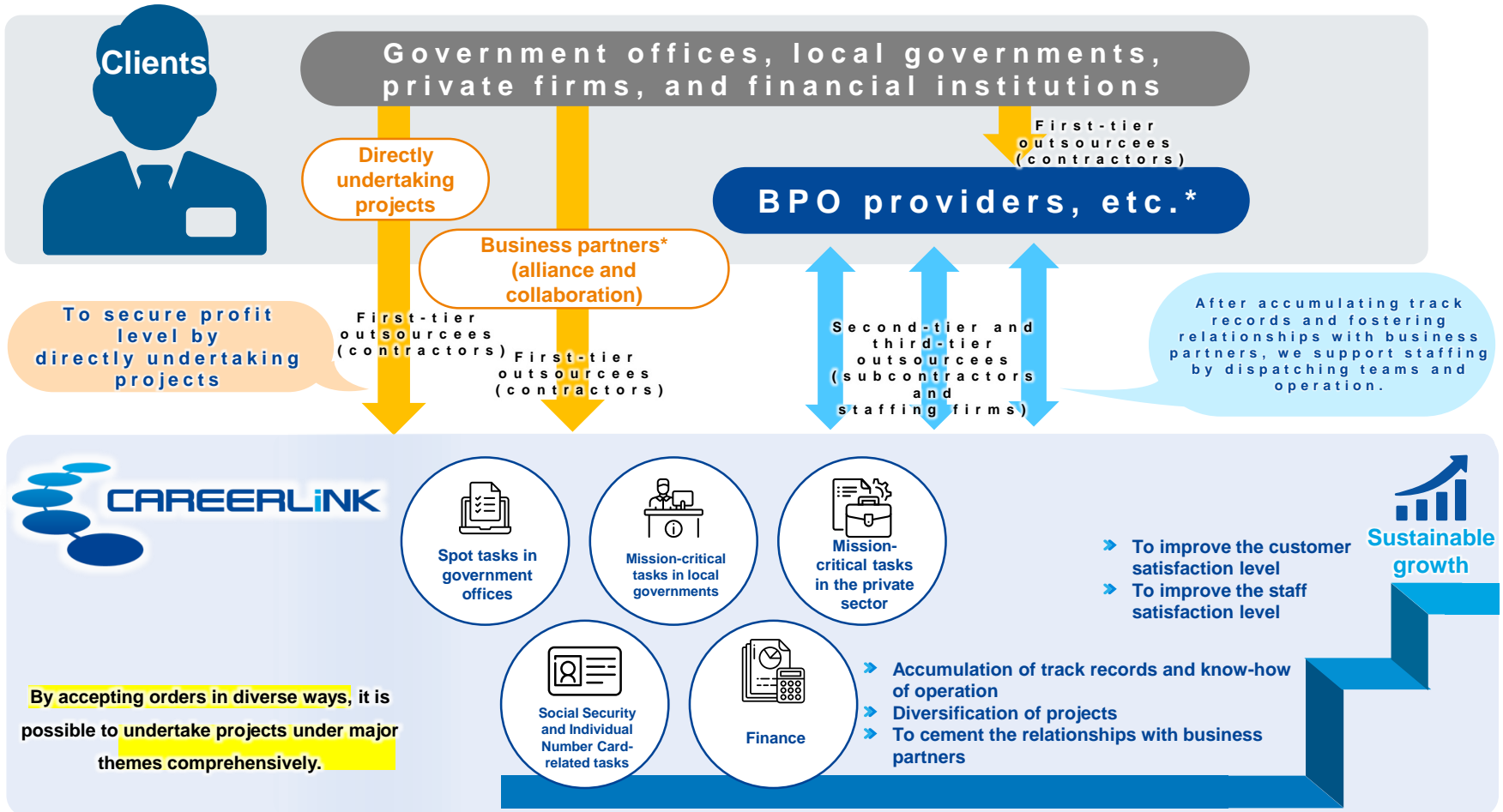


Source: Yano Research Institute Ltd.

\*Based on sales by service providers; forecast figures for FY 2022 and beyond.

\*Market size includes hardware purchase costs, rental/lease fees, maintenance/service support fees, line usage fees, and personnel dispatch fees from vendors (service providers), etc. On the local government side, the market size includes equipment purchase costs, information system outsourcing costs, training costs, and outsourcing (BPO services) costs, but does not include personnel costs for local government employees, subsidies provided by the government to local governments, and procurement costs for government cloud and other services by the government.

## Enhancement of strengths as a platform provider



\*BPO providers, etc.

- Ad agencies
- Printing BPO providers
- Call center enterprises

- IT system vendors
- Travel vendors
- Finance/think-tanks
- Consulting firms, etc.

Business partners\* (alliance and collaboration)

- Ad agencies
- Printing BPO providers
- IT system vendors
- Forwarders
- Local event organizers
- Local staffing firms, etc.

## Material issues and target setting on the time axis

Material issues	Short-term target (approx. 1 year)	Mid-term target (approx. 3 to 5 years)	Long-term target (approx. 5 years later and onward)
Business opportunities	Develop new business models utilizing digital transformation, AI, etc.		<ul style="list-style-type: none"> <li>•Develop diverse new businesses</li> <li>•Create new employment opportunities along with the development</li> </ul>
Human resource management	<ul style="list-style-type: none"> <li>•Enhance skill management (As is to be Gap analysis, etc.) for each employee</li> <li>•Build a risk-killing structure based on the gap analysis</li> <li>•Establish a systematic core personnel training plan</li> </ul>	<ul style="list-style-type: none"> <li>•Build a mechanism to grasp the details of self-fulfillment in each employee</li> <li>•Reconstruct a flexible human resource management structure which takes into account the self-fulfillment of employees</li> <li>•Form engagement which encompasses the diverse values of employees</li> </ul>	
Responsibilities toward customers	Establish a self-inspection system for quality control, information security and compliance with laws and regulations	Build a proactive risk control structure based on the diversification of operations, introduction of new technologies, etc.	
Local communities	Increase the number of opportunities for employment in the regions	Develop human resources through career consulting and increase the number of employment opportunities	Ensure participation in initiatives for climate change and preventing biodiversity loss in regions
Social risks	Develop operations focused on the elderly while incorporating various forms of work	Develop operations focused on the elderly while utilizing digital transformation, AI, etc.	Develop operations with a high rate of workers with disabilities and foreign workers while adopting various forms of work, digital transformation, AI, etc.
Technology risks	Review and reconstruct a system structure to achieve high robustness	Promote the introduction of IT technologies which pursue both efficiency improvements and high quality	<ul style="list-style-type: none"> <li>•Establish robust, efficient and high-quality infrastructure platforms</li> <li>•Promote the development of innovation and technologies which use AI, etc.</li> </ul>
Working environment	Establish a working environment based on the ILO international labor standards	Design and operate a personnel system which respects the values and life-work balance of individuals	
Human rights	Promote employment of women, those with disabilities and foreign workers	<ul style="list-style-type: none"> <li>•Develop a human resources development and education program for women, employees with disabilities and foreign workers</li> <li>•Ensure participation in organizational management and management decision-making</li> </ul>	<ul style="list-style-type: none"> <li>•Achieve the promotion of the right person for the right job</li> <li>•Maintain preparedness by periodically conducting human rights due diligence</li> </ul>
Climate change	<ul style="list-style-type: none"> <li>•Systematically reduce paper consumption</li> <li>•Improve the telecommuting and staggered work hours ratio</li> </ul>		Improve employee literacy on climate change and environmental issues

## Initiatives on human resource development, human resource diversity and internal environment development

- We have formulated the following indicators based on our group's Basic Sustainability Policy and material issues in regards to the contents, targets and results of indicators on human resource development and internal environment development. We plan to consider setting specific long-term indicators internally in the future.

	Policies	Measures	Indicators
Human resource development	<ul style="list-style-type: none"> <li>● We will strive to develop the abilities and skills of our employees and to secure and train the next-generation of human resources to build an internal structure ahead of the diversification of business expansion and changes in the social environment.</li> <li>● We will take support measures to cultivate the motivation for self-development among employees.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Develop abilities of employees and cultivate next-generation human resources</li> <li>✓ Cultivate and support motivation for self-development among employees</li> </ul>	<ul style="list-style-type: none"> <li>□ Number of participants in group training, e-learning and external training</li> <li>□ Number of people receiving career counseling</li> <li>□ Number of employees participating in executive committee meetings</li> <li>□ Dispatch of managers to external training</li> <li>□ Number of voluntary online learners and number of hours spent in learning</li> <li>□ Number of employees who have acquired qualifications through the support system</li> </ul>
Human resource diversity	<ul style="list-style-type: none"> <li>● We will strive to utilize the diverse ideas, values and experiences of each of our employees to realize sustainable growth in response to the diversification of business expansion and changes in the social environment.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Promote employment of women, those with disabilities and foreign workers</li> <li>✓ Develop female employees, employees with disabilities and foreign workers, and promote their active participation in organizational administration and management</li> <li>✓ Promote women, employees with disabilities and foreign workers</li> </ul>	<ul style="list-style-type: none"> <li>□ Ratio of female employees, employees with disabilities and foreign workers</li> <li>□ Number of female employees participating in important company-wide projects</li> <li>□ Number of female employees dispatched to external training</li> <li>□ Ratio of female employees, employees with disabilities and foreign workers among managers</li> </ul>
Internal environment development	<ul style="list-style-type: none"> <li>● We believe that it is essential for our employees, including staff members, to be physically and mentally healthy for sustainable growth. Accordingly, we will proactively work to make improvements focused on each of the indicators we have given on the right.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Develop the working environment</li> </ul>	<ul style="list-style-type: none"> <li>□ Health checkup rate</li> <li>□ Stress checkup rate</li> <li>□ Rate of employees with high stress</li> </ul>

## Indicators for human resource development

<p><b>Group training</b> (Number of programs/Total number of participants)</p> <p><b>10/628</b> (Result for FY3/23)</p> <hr/> <p>(Target for FY3/24: <b>10/400</b>)</p>	<p><b>e-learning</b> (Number of programs/Total number of participants)</p> <p><b>7/4,374</b> (Result for FY3/23)</p> <hr/> <p>(Target for FY3/24: <b>15/10,500</b>)</p>	<p><b>External training</b> (Number of programs/Total number of participants)</p> <p><b>10/238</b> (Result for FY3/23)</p> <hr/> <p>(Target for FY3/24: <b>13/300</b>)</p>	<p><b>No. of employees taking career consulting</b></p> <p><b>27</b> (Result for FY3/23)</p> <hr/> <p>(Target for FY3/24: <b>50</b>)</p>
<p><b>No. of employees participating in executive committee meetings</b></p> <p><b>70</b> (Result for FY3/23)</p> <hr/> <p>(Target for FY3/24: <b>80</b>)</p>	<p><b>Dispatch of managers to external training</b> (Number of programs/Total number of participants)</p> <p><b>4/32</b> (Result for FY3/23)</p> <hr/> <p>(Target for FY3/24: <b>5/80</b>)</p>	<p><b>Self-development support measures</b> (Online learning) (Number of participating employees/Number of eligible employees)</p> <p><b>376/712</b> (Result for FY3/23)</p> <hr/> <p>(Target for FY3/24: <b>700/1,000</b>)</p>	<p><b>Employees acquiring qualifications through the support system</b></p> <p><b>4</b> (Result for FY3/23)</p> <hr/> <p>(Target for FY3/24: <b>25</b>)</p>

## Indicators for diversity

<p><b>Ratio of female employees</b></p> <p><b>33.4%</b> (Result for FY3/23)</p> <hr/> <p>(Target for FY3/24: <b>36.5%</b>)</p>	<p><b>Ratio of employees with disabilities</b></p> <p><b>2.56%</b> (Result for FY3/23)</p> <hr/> <p>(Target for FY3/24: <b>2.60%</b>)</p>	<p><b>Ratio of foreign workers</b></p> <p><b>3.9%</b> (Result for FY3/23)</p> <hr/> <p>(Target for FY3/24: <b>5.2%</b>)</p>
<p><b>No. of female employees participating in important company-wide projects</b> (*Excluding directors and department heads)</p> <p><b>2</b> (Result for FY3/23)</p> <hr/> <p>(Target for FY3/24: <b>5</b>)</p>	<p><b>Number of female employees dispatched to external training</b> (Number of programs/Total number of participants)</p> <p><b>10/40</b> (Result for FY3/23)</p> <hr/> <p>(Target for FY3/24: <b>13/100</b>)</p>	<p><b>Ratio of female employees, employees with disabilities and foreign workers among managers</b></p> <p><b>22.0%</b> (Result for FY3/23)</p> <hr/> <p>(Target for FY3/24: <b>23.2%</b>)</p>

## Indicators for internal environment development

<p><b>Health checkup rate</b></p> <p><b>100%</b> (Result for FY3/23)</p> <hr/> <p>(Target for FY3/24: <b>100%</b>)</p>
<p><b>Stress checkup rate/ Rate of employees with high stress</b></p> <p><b>81.1%/16.8%</b> (Result for FY3/23)</p> <hr/> <p>(Target for FY3/24: <b>85.0%/13.5%</b>)</p>



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The forecasts, plans, and business developments of Careerlink Co., Ltd. discussed in this document are based on judgments made with reference to information available as of the date of the announcement of the financial results.

In addition to the impact of the spread of COVID-19, the Company's forecasts are subject to significant changes in macroeconomic conditions, trends in the Company's related industries, and the development of new technologies.

Accordingly, please be aware that there are risks and uncertainties that could cause actual results, etc., to differ materially from those presented in this document.

If there are any major changes, we will make an announcement accordingly.



すべての人  
に働くよろこびを  
*We Believe the joy of work*

For inquiries

**Careerlink Co., Ltd.**

Corporate Planning Department



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03-6311-7324