



Financial Results for the Nine Months of FY3/23

Careerlink Co., Ltd. (6070)



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- 02** **Earnings Forecast for FY3/23**
- 03** **Business Highlights**
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Net sales exceeded 37 billion yen in the nine months of FY3/23*.

- We steadily received orders for BPO projects, including Social Security and Individual Number and large-scale spot transactions, from local governments and leading BPO providers. In addition, as we made efforts to find new clients and cement cooperation among branches, the number of orders from the manufacturing sector progressed smoothly.
- For profit, it's contributed by the sales growth, the streamlining of business operations for BPO projects, and the rationalization and saving of expenses for soliciting registration, recruitment, etc.
- From the previous term, the account closing date was changed from the last day of February to March 31. In addition, the Accounting Standard for Revenue Recognition, etc. have been applied since the beginning of the first quarter of this fiscal year.

(Unit: Millions of yen)

	9 Months of FY3/22 (Mar.-Nov.)	9 Months of FY3/23 (Apr.-Dec.)*
Consolidated	25,204 (100%)	37,225 (100%)
	2,212 (8.8%)	5,525 (14.8%)
	2,226 (8.8%)	5,552 (14.9%)
	1,506 (6.0%)	3,818 (10.3%)

*Since the account closing date was changed and the Accounting Standard for Revenue Recognition has been applied since the first quarter of this fiscal year, 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 December and adjusting net sales in the nine months of the current term to meet the inspection standards like in the same period of the previous term.

(Unit: Millions of yen, %)

	The same period in the previous fiscal year after the accounting period adjustment (Apr.-Dec.) (a)	Results in the nine months (Apr.-Dec.) of the current term (b)	Effect of revenue recognition on the results in the nine months (Apr.-Dec.) of the current term (c)	Results excluding the effect of revenue recognition in the nine months (Apr.-Dec.) of the current term (d) (b-c = Inspection standards)	Y/y increase (d)-(a)	Y/y increase rate (d-a)/a
Net sales	24,861 (100%)	37,225 (100%)	4,620	32,604 (100%)	+7,743	+31.1%
Operating profit	1,928 (7.8%)	5,525 (14.8%)	2,570	2,954 (9.1%)	+1,026	+53.2%
Ordinary profit	1,944 (7.8%)	5,552 (14.9%)	2,570	2,981 (9.1%)	+1,036	+53.3%
Profit attributable to owners of parent	1,294 (5.2%)	3,818 (10.3%)	1,783	2,034 (6.2%)	+740	+57.2%

*As shown in the above table, the effect of the application of the Accounting Standard for Revenue Recognition on the results in the nine months of the current term is 4,620 million yen for net sales, 2,570 million yen for operating profit and ordinary profit, and 1,783 million yen for profit attributable to owners of parent. These amounts exert almost no significant effects on the consolidated financial statements in the current consolidated fiscal year, because most commissioned projects are scheduled to be completed and inspected by the end of March 2023, which is the end of this fiscal year.

*As of December 31, 2022, 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 December and adjusting the previous period to meet the Accounting Standard for Revenue Recognition.

(Unit: Millions of yen, %)

	The same period in the previous fiscal year after the accounting period adjustment (Apr.-Dec.) (a)	Effect of revenue recognition on the results in the same period (Apr.-Dec.) of the previous fiscal year (b)	Results including the effect of revenue recognition in the same period (Apr.-Dec.) of the previous fiscal year (c = a+b)	Results in the nine months (Apr.-Dec.) of the current term (d)	Y/y increase (d)-(c)	Y/y increase rate (d-c)/c
Net sales	24,861 (100%)	2,675	27,537	37,225 (100%)	+9,688	+35.2%
Operating profit	1,928 (7.8%)	1,001	2,929	5,525 (14.8%)	+2,595	+88.6%
Ordinary profit	1,944 (7.8%)	1,001	2,945	5,552 (14.9%)	+2,606	+88.5%
Profit attributable to owners of parent	1,294 (5.2%)	694	1,989	3,818 (10.3%)	+1,829	+92.0%

*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 December, 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	9,688	7,743	1,945	25.1%
Operating profit	2,595	1,026	1,569	152.9%
Ordinary profit	2,606	1,036	1,569	151.4%
Profit attributable to owners of parent	1,829	740	1,088	147.1%

*As shown in the above table, the year-on-year differences between the increases in net sales, operating profit, etc. under the Accounting Standard for Revenue Recognition (the table on Slide 6) and the inspection standards (the table on Slide 5) are significant. However, these amounts exert almost no significant effects on the consolidated financial statements in the current consolidated fiscal year, because most commissioned projects are scheduled to be completed and inspected by the end of March 2023, which is the end of this fiscal year.

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

Comparison of net sales in the nine months of FY3/23 under the inspection standards

	9 Months of FY 3/22 (Mar.-Nov.)	9 Months of FY 3/23 (Apr.-Dec.) (excluding the effect of revenue recognition = the inspection basis)	(Unit: Millions of yen)
Clerical human resources	Net sales	21,213	27,519
	Segment profit	2,087 (9.8%)	2,751 (10.0%)
Manufacturing human resources	Net sales	2,998	4,112
	Segment profit	106 (3.6%)	187 (4.6%)
Sales human resources	Net sales	769	749
	Segment profit	2 (0.3%)	-8 (-)
Other human resources	Net sales	223	223
	Segment profit	16 (7.5%)	24 (10.9%)
Total	Net sales	25,204	32,604
	Operating profit	2,212 (8.8%)	2,954 (9.1%)

*Our accounting period was changed in the previous term, so the nine months of the current term (April to December) is different from those in the previous term (March to November). Therefore, year-on-year increase/decreases are not written.

BPO-related business segment

- We kept receiving a healthy number of orders for continuous projects and Social Security and Individual Number projects from local governments, leading BPO providers, etc. and spot transactions with a short contract period contributed.
- Clients increased as we started new transactions with some local governments etc.

CRM-related business segment

- We steadily received orders for call center operations from new clients in Sapporo, Sendai, Fukuoka, and Okinawa.
- In the Tokyo Metropolitan Area and the Kansai area, we steadily received orders from existing clients, including leading BPO providers, and new orders from government offices.

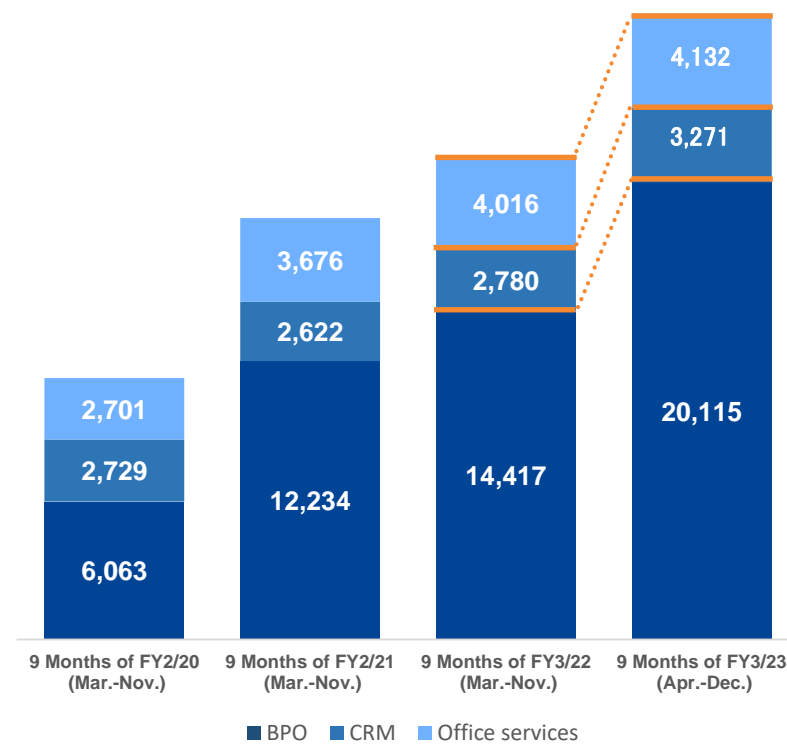
Office services business segment

- The scale of large-scale spot transactions shrank, but we received new orders for the dispatch of workers for general affairs in local governments, etc., and operations related to services for citizens in a healthy manner.
- In addition, we received a healthy number of orders for staffing for financial institutions.

Variation in sales of clerical human resources service (comparison under the inspection standards)

(In order to compare the results with those in the same period of the previous fiscal year, we used the inspection standards, excluding the effects of the Accounting Standard for Revenue Recognition in the nine months of FY3/23.

(Unit: Millions of yen)

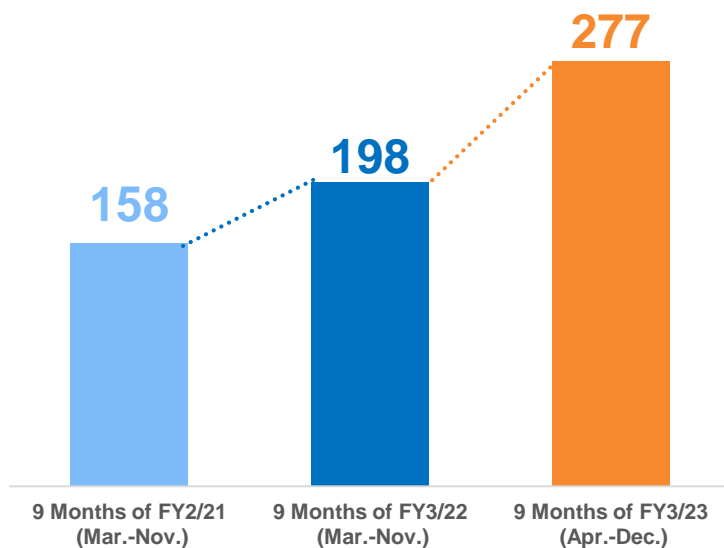


The number of orders for BPO projects is large, thanks to the enhancement of marketing capability for increasing orders from local governments.

- We concentrated on the increase of orders from local governments, and enhanced the recruitment of core personnel, operation staff, and workers to be dispatched, in order to improve our marketing capability and our capacity to deal with commissioned projects. The number of orders for BPO projects in a quarter hit a record high, and the agreed amount per BPO project increased, improving profitability.

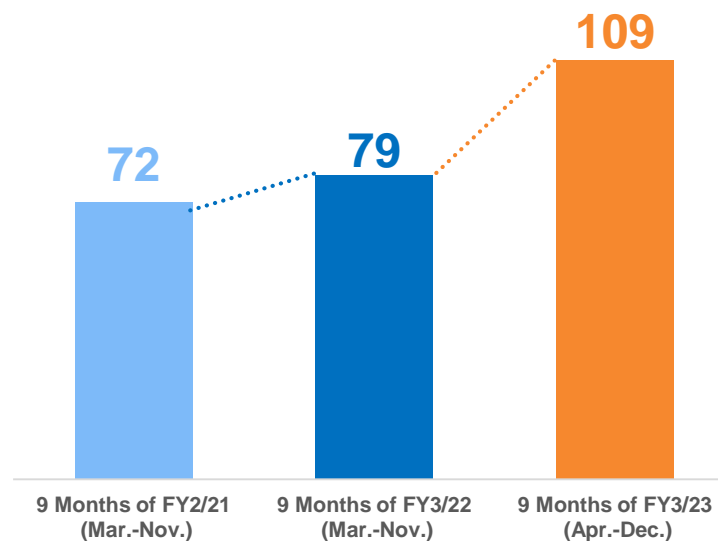
Variation in the number of core personnel

(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.

To capture the demand associated with DX in the public sector against the backdrop of Government Tech promotion

- In bidding for BPO projects, design capabilities and track records tend to be evaluated. The Company has been engaged in projects for issuing Social Security and Individual Number Cards since the beginning. In addition, we have experiences in 16 cities among 20 government-designated cities.
- We are expected to receive orders from central cities (320 cities with a population of 100,000 people or more) and meet the demand in the private sector through peripheral business operations.

Number of municipalities with which we have transactions*

(Prefectures/municipalities)

Results in FY2019 to FY2021

79

Results at the end of Dec. 2022

108

Goal by FY2024

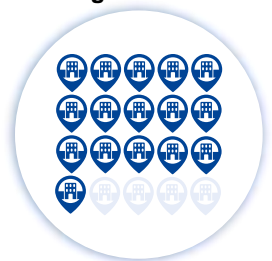
161

*Including subcontractors

Present

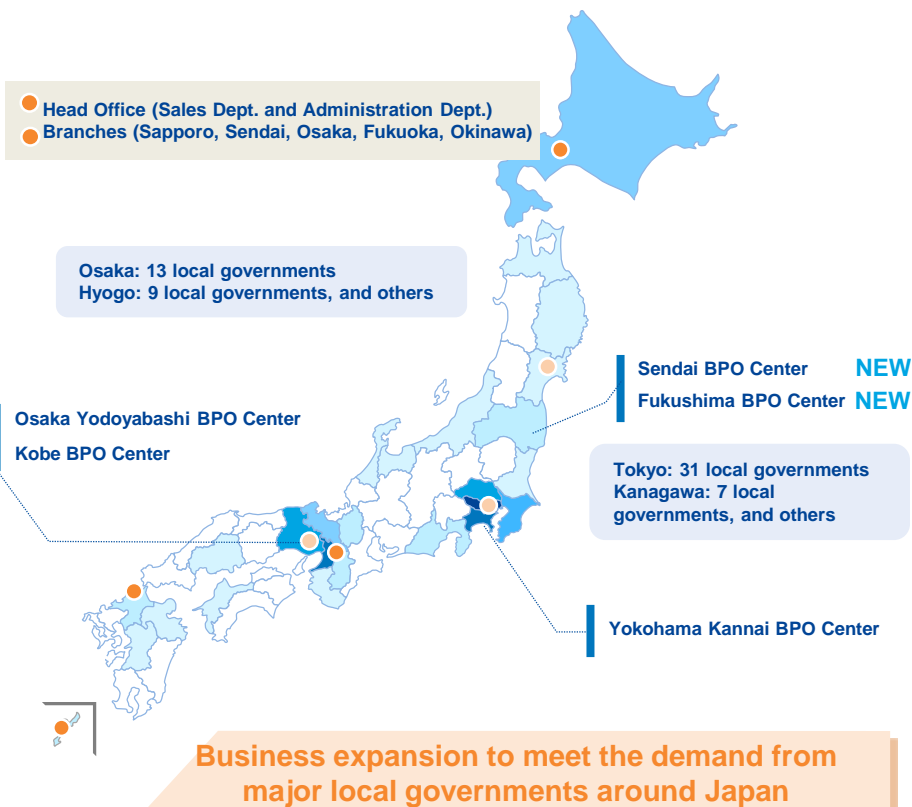
Future

Among 20 government-designated cities



we have experiences in 16 cities.

Approach to central cities
+
Expansion of demand for manpower for peripheral business operations in the private sector



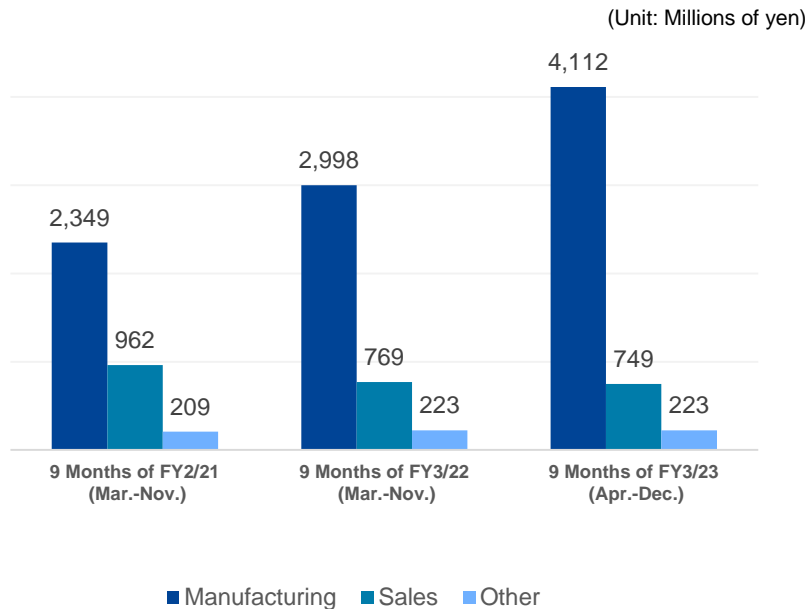
Manufacturing human resources service business saw growth in sales and profit.

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

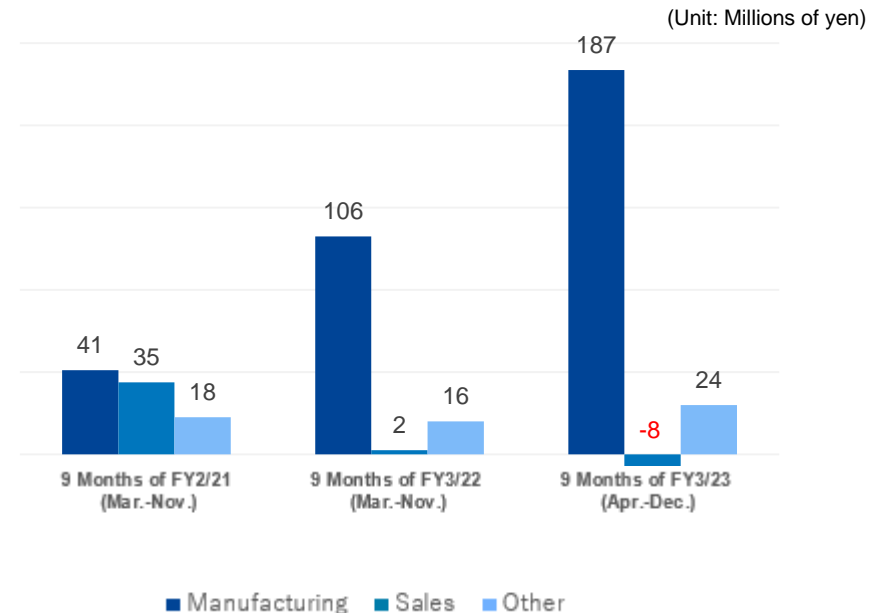
Sales human resources service business is stagnant.

- Since the restrictions on activities for preventing the spread of COVID-19 were loosened significantly, we strived to increase new clients and make more transactions with existing clients, but we could not produce sufficient results.

Variations in sales of manufacturing, sales and other human resources services
(comparison under the inspection standards)



Variations in segment profits of manufacturing, sales and other human resources services
(comparison under the inspection standards)



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The revised earnings forecast announced on November 9, 2022 remains unchanged.

- We will leave the full-year earnings forecast mentioned in “Notification on the revision to the earnings forecast” announced on November 9, 2022 unchanged, but according to the outlook for business performance, we may announce the revision to the earnings forecast if necessary.

(Unit: Millions of yen)

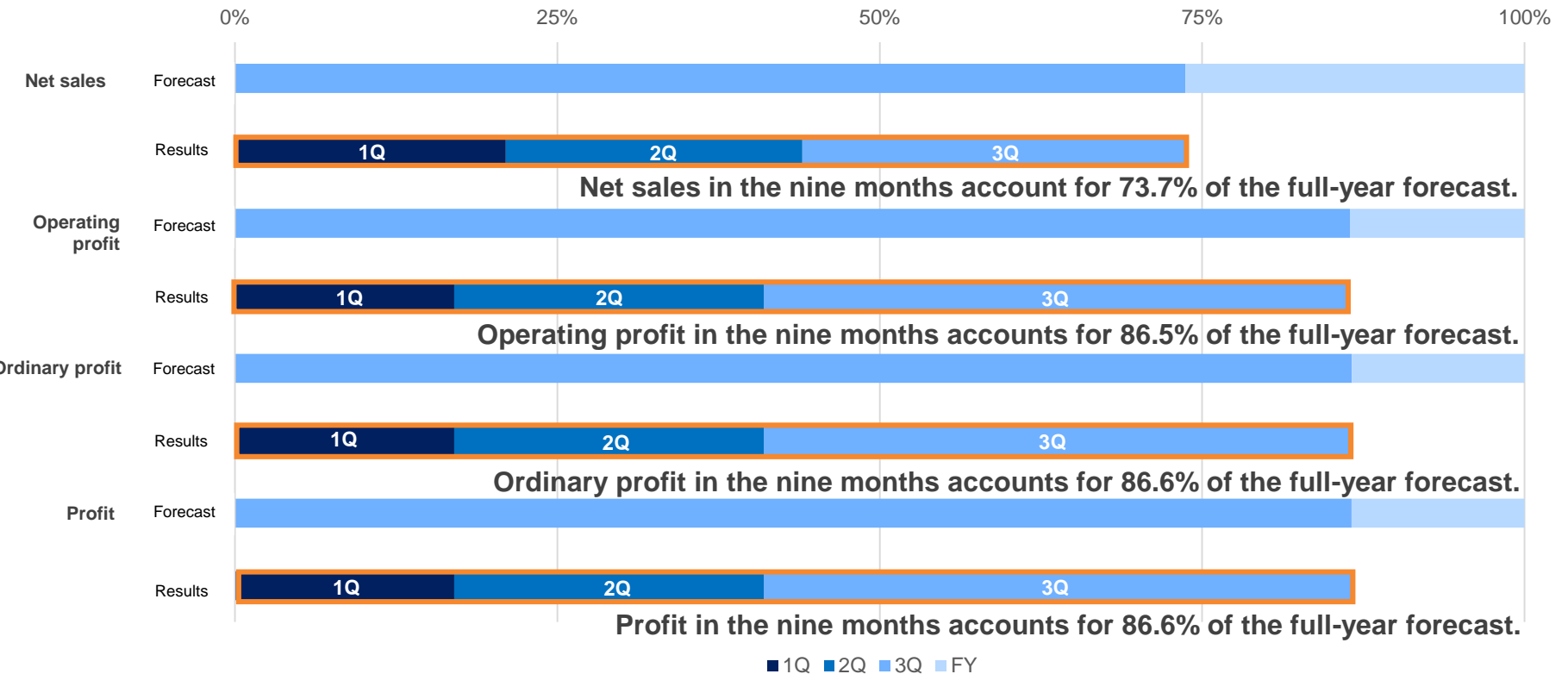
Nine months of FY3/23	Results for the 9 Months (Apr.-Dec.) of FY3/23	Full-year Forecast for FY 3/23 (Apr.-Mar.)	Progress rates toward the full-year forecast	
Consolidated	Net sales	37,225	50,500	73.7%
	Operating profit	5,525	6,390	86.5%
	Ordinary profit	5,552	6,410	86.6%
	Profit attributable to owners of parent	3,818	4,410	86.6%

*The Accounting Standard for Revenue Recognition has been applied since the first quarter of this fiscal year.

Progress rates toward the full-year earnings forecast as of the end of the nine months of FY3/23

- The progress rates toward the full-year forecast for operating profit, which was announced on November 9, 2022, is 86.5% as of the end of the third quarter.

Progress toward the full-year earnings forecast



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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. By the end of this term, we plan to open a BPO center in Chiba, too.
- We will strive to fortify our BPO operation base in the Tohoku region.

Sendai BPO Center



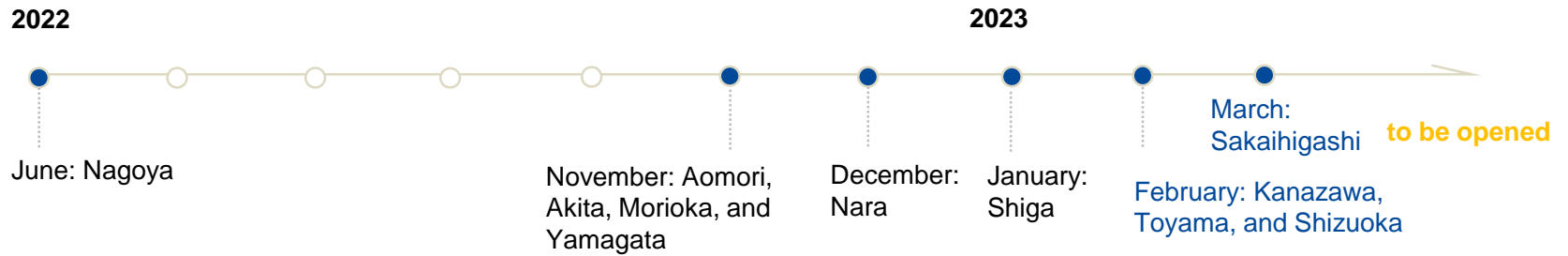
Fukushima BPO Center



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

- For the purpose of increasing the amount of orders in the Hokuriku and Tokai regions, we will strive to streamline our marketing activities and strengthen our marketing base.
- For the purpose of continuously increasing the number of orders for business operations in central cities and the private sector surrounding these areas, we will develop bases.

Schedule for opening satellite offices



List of offices and satellite offices

■ First Marketing Division

- Shin-yokohama Office
- Makuhari Satellite Office

■ Seventh Marketing Division

- Nagoya Satellite Office

■ Fourth Marketing Division

- Aomori Satellite Office
- Morioka Satellite Office
- Akita Satellite Office
- Yamagata Satellite Office

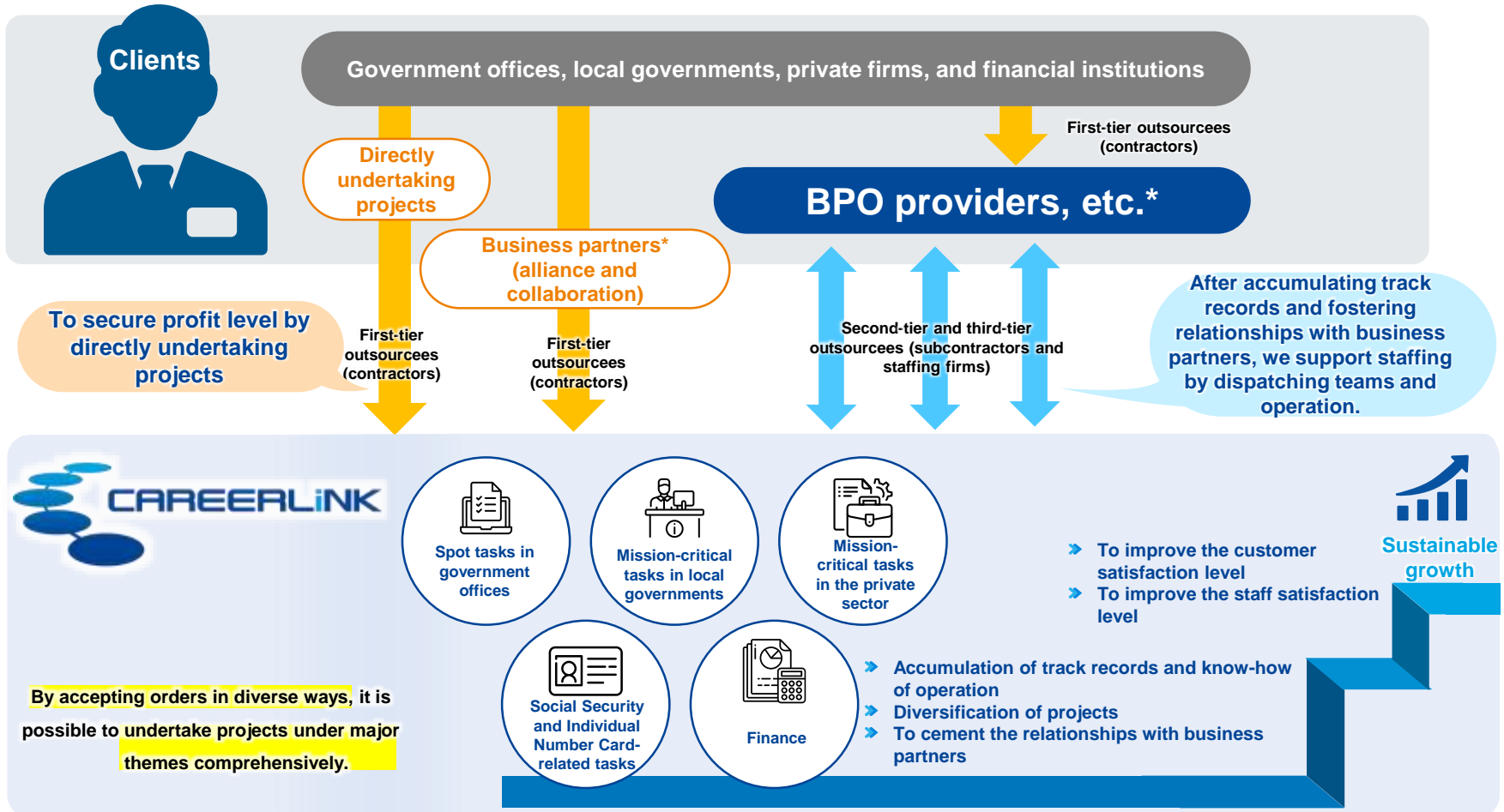
- Kanazawa Satellite Office **NEW**
- Toyama Satellite Office **NEW**
- Shizuoka Satellite Office **NEW**

■ Fifth Marketing Division

- Kyoto Satellite Office
- Nara Satellite Office
- Shiga Satellite Office

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Enhancement of strengths as a platform provider



*BPO providers, etc.

- Ad agencies
- Printing BPO providers
- Call center enterprises

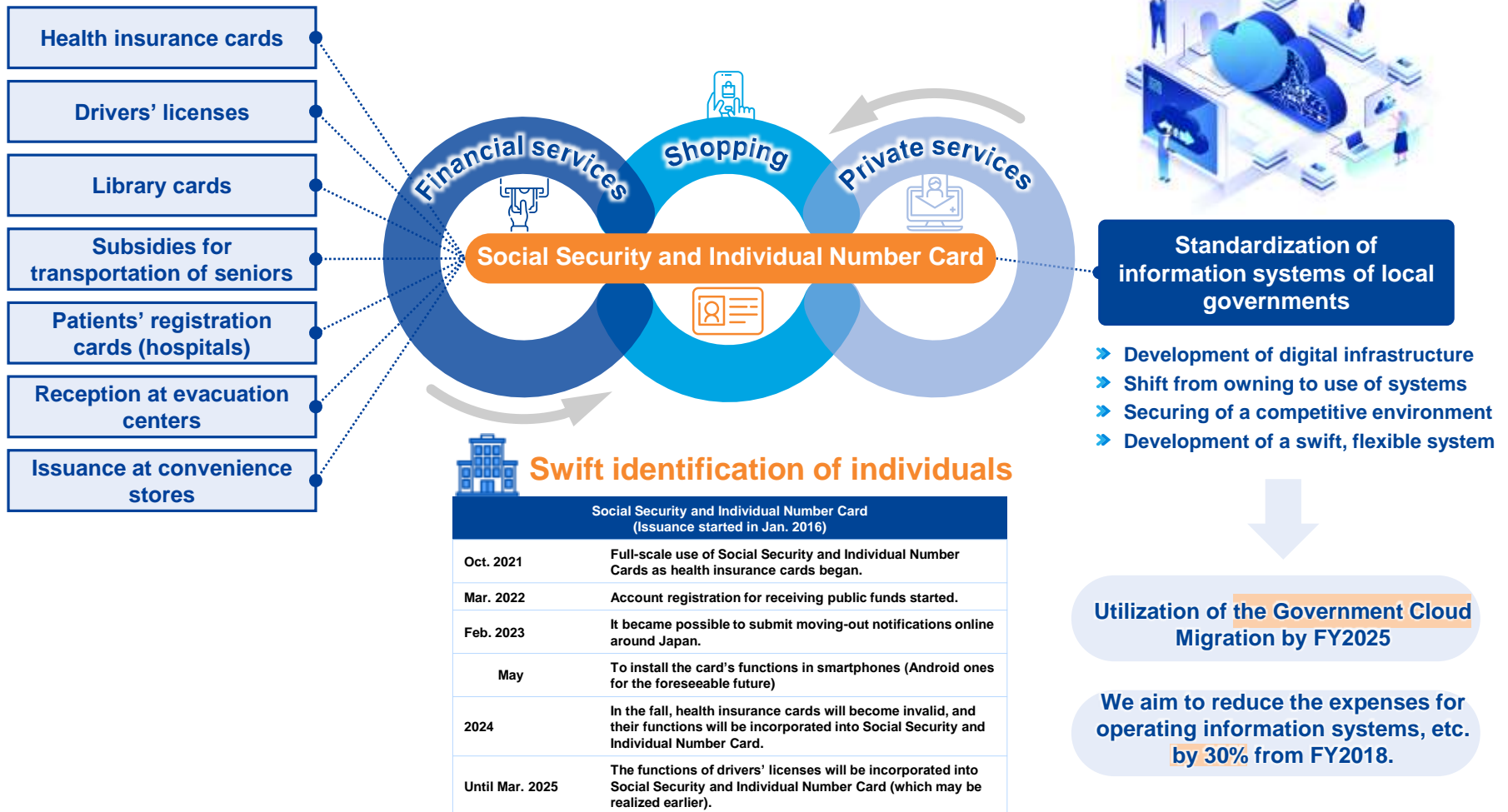
- IT system vendors
- Travel vendors
- Finance/think-tanks
- Consulting firms, etc.

Business partners* (alliance and collaboration)

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

Development of digital infrastructure of local governments with Social Security and Individual Number Cards

- As the development of digital infrastructure progresses, the linkage with administrative services and new peripheral services are expected to emerge.



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

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