

# Earnings Presentation Fiscal Year Ended February 2021

CAREERLINK CO., LTD.



Stock Code : 6070  
Tokyo Stock Exchange, First Section

April 23 (Fri.), 2021

President & Representative Director  
President & Executive Office  
Motoaki Narusawa

# Precautions

Forecasts, plans and other forward-looking statements concerning Careerlink in this presentation are based on judgments using information that was available at the time of this presentation.

The outlook may differ significantly because of the COVID-19 crisis, changes in the economy and the human resources industry, the emergence of new technologies, and other events.

Consequently, there is a risk that Careerlink's actual performance and other aspects of operations may differ from the information in this presentation. An announcement will be made whenever there is a significant change.

# Agenda

 **I . Financial Highlights for the FY2/21**

 **II . Annual Plan for FY3/22**

 **III . Medium-Term Management Plan**  
(FY3/2022-FY3/2024)

 **IV . Reference**

# I . Financial Highlights for the FY2/21

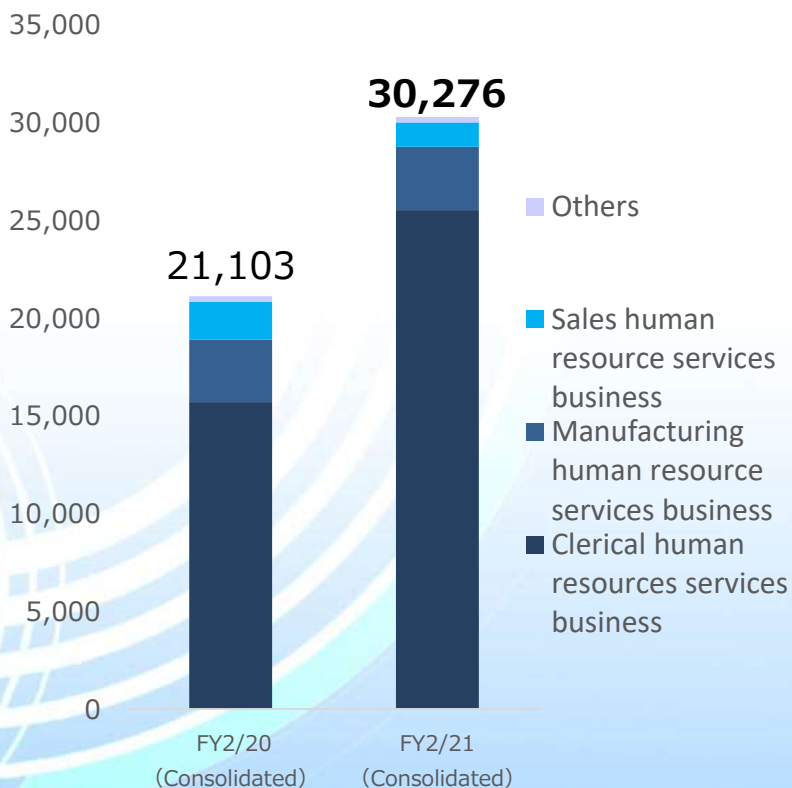


# Consolidated Financial Highlights (Sales)

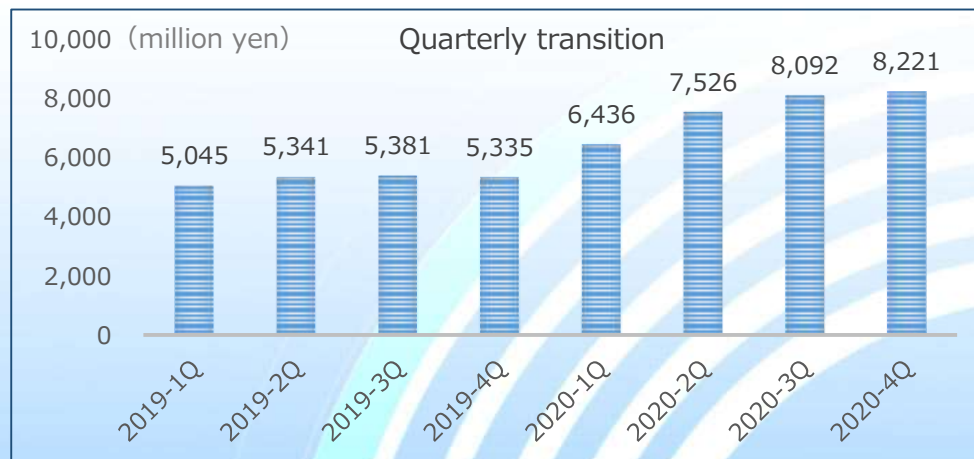
## Main factors of increase / decrease

- We were able to receive orders for new large-scale BPO projects more than expected.
- BPO completion contracts for the contract period from April of the previous term to March of the current term were collectively recorded in March of the current term.
- Even in the general office work department, we were able to receive more orders than expected for new projects.

(million yen)



➤ **Sales 30,276 million yen**  
 ➤ **43.5% Up y-o-y**

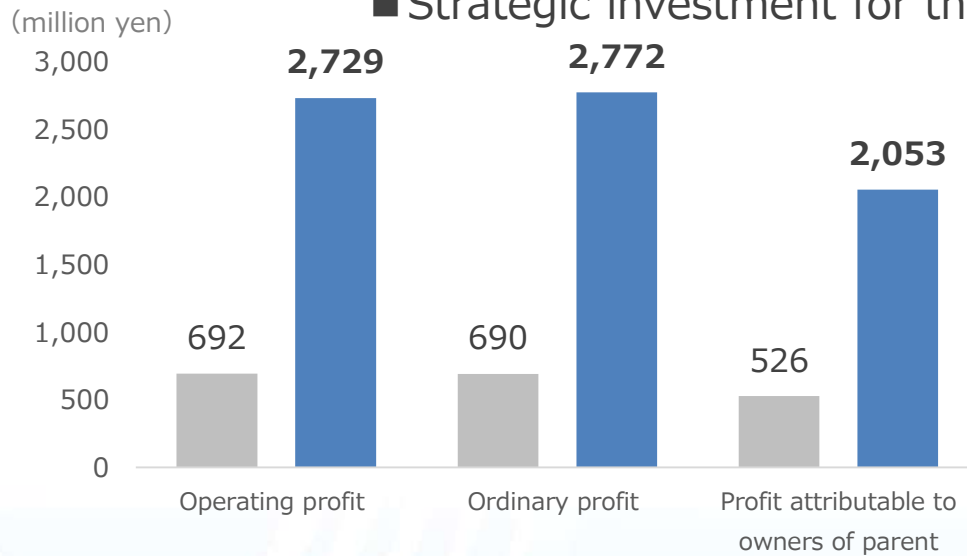




# Consolidated Financial Highlights (Profits)

Main factors  
of increase  
/ decrease

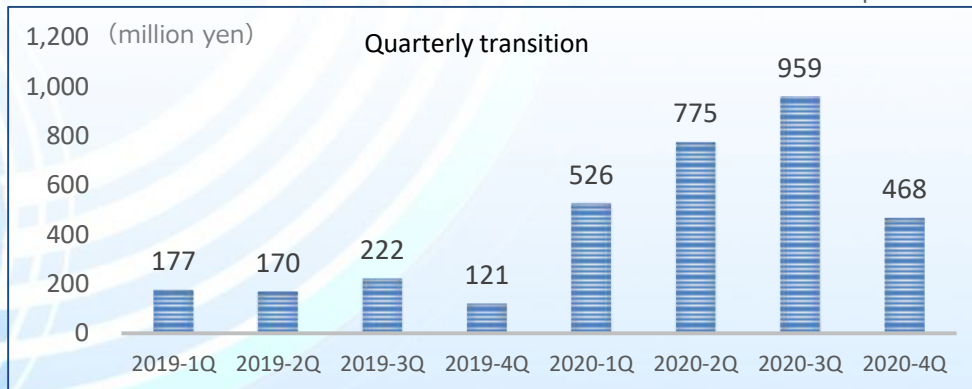
- We were able to receive orders for new large-scale BPO projects with increased sales and high profitability.
- Controlling expenses such as efficient recruitment of working staff in new large-scale BPO projects.
- Strategic investment for the next fiscal year (FY3/2022) in 4Q.



➤ Op. P **2,729** million yen  
➤ **294.3%** Up y-o-y

➤ Ord. P **2,772** million yen  
➤ **301.7%** Up y-o-y

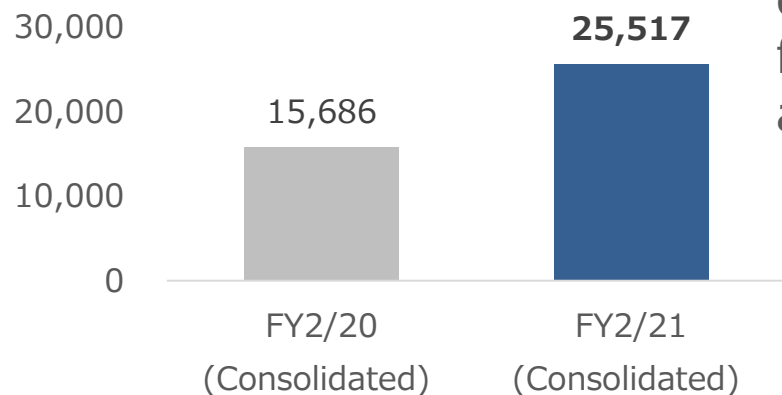
➤ Profit attributable to owners of parent **2,053** million yen  
➤ **289.9%** Up y-o-y



# Segment Information (Clerical Human Resource Services)

## 【Clerical Human Resource Services(Sales・Profits)】

( million yen )

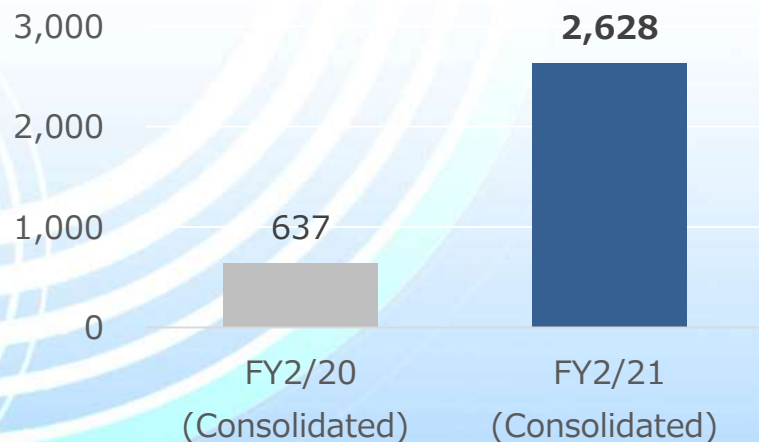


■ We were able to receive more orders than expected for new large-scale BPO projects from BPO companies and government agencies.

➤ Sales **25,517** million yen

➤ **62.7% Up y-o-y**

( million yen )



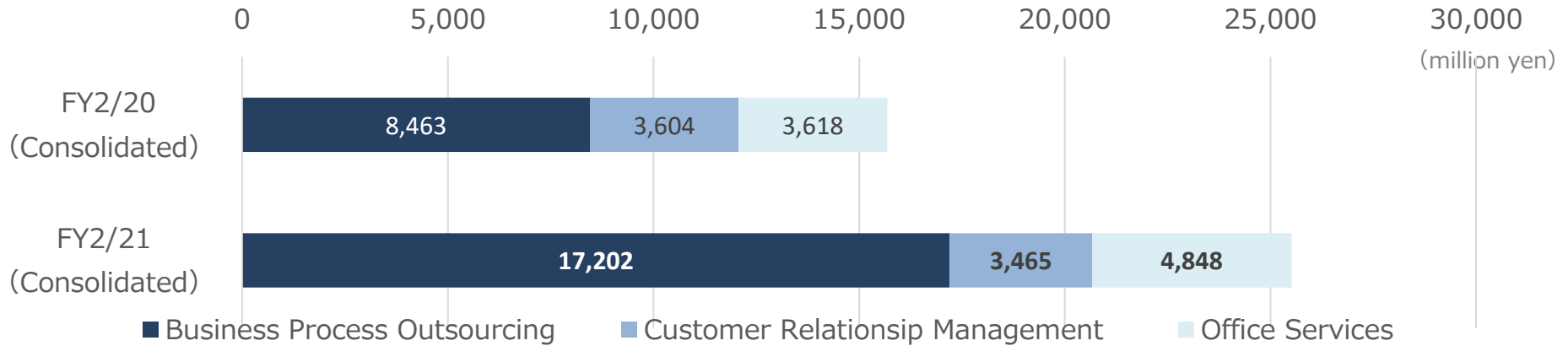
■ Received an order for a new large-scale BPO project with high profitability.

■ Controlling the increase in expenses such as efficient recruitment of working staff.

➤ Op. P **2,628** million yen

➤ **312.7% Up y-o-y**

# (Details) Clerical Human Resource Services Sales



## Business Process Outsourcing

- Received more orders than expected for new large-scale BPO projects from BPO operators and government agencies.
- Collective recording of BPO completion contracts for the contract period from April of the previous term to March of the current term in March of the current term.

- Sales **17,202 million yen**
- **103.3% Up y-o-y**

## Customer Relationship Management

- Sales decreased due to attendance adjustments aimed at preventing the COVID-19.
- Although the volume of orders gradually recovered after the cancellation of the state of emergency in May 2020, the full recovery of orders was not achieved.

- Sales **3,465 million yen**
- **3.8% Down y-o-y**

## Office Services

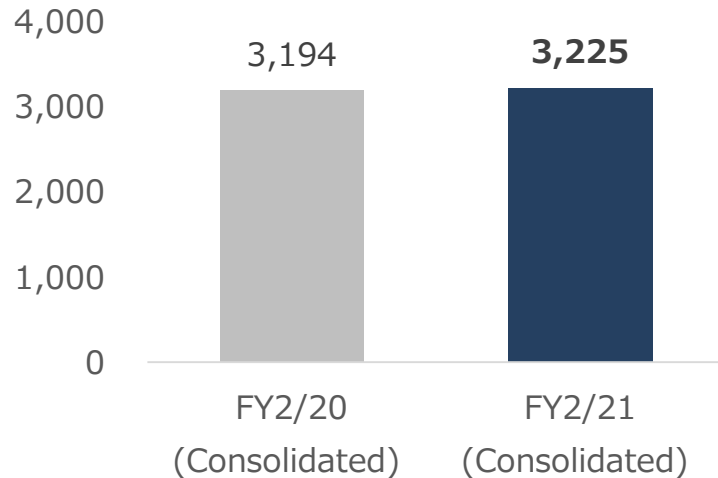
- Sales declined due to a decrease in new orders for private companies other than government offices and financial institutions due to the spread of the COVID-19 infectious disease, and adjustment of attendance of dispatched staff.
- After the release of the state of emergency in May 2020, new projects received more than expected.

- Sales **4,848 million yen**
- **34.0% Up y-o-y**



## 【Manufacturing Human Resources Services(Sales·Profits)】

(million yen)

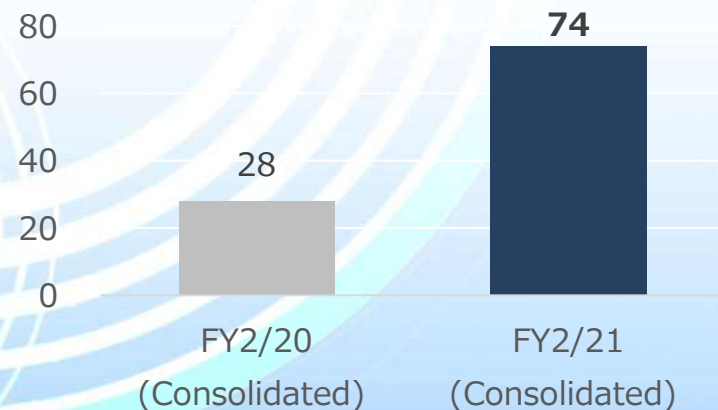


- Prior to 2Q, due to the impact of the COVID-19 infection, the decrease in orders and the adjustment of attendance of dispatched staff had an impact.
- Order volume recovered for both food processing and manufacturing processing after 3Q.

➤ **Sales 3,225** million yen

➤ **1.0% Up y-o-y**

(million yen)



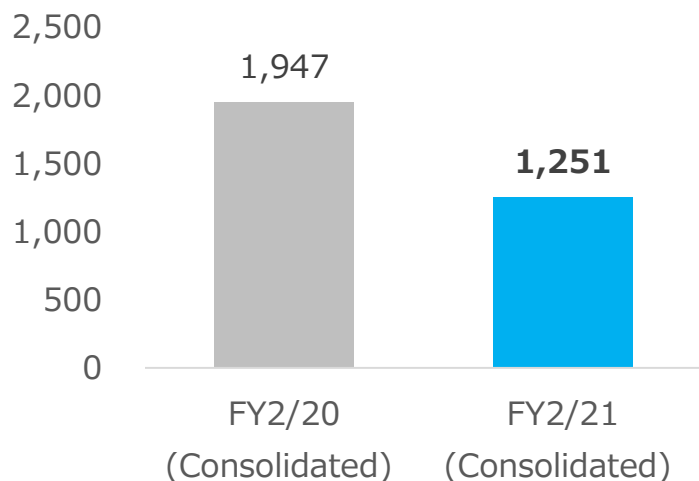
- Reduction of labor costs and expenses.

➤ **Op. P 74** million yen

➤ **160.8% Up y-o-y**

## 【Sales Human Resources Services(Sales・Profits)】

(million yen)

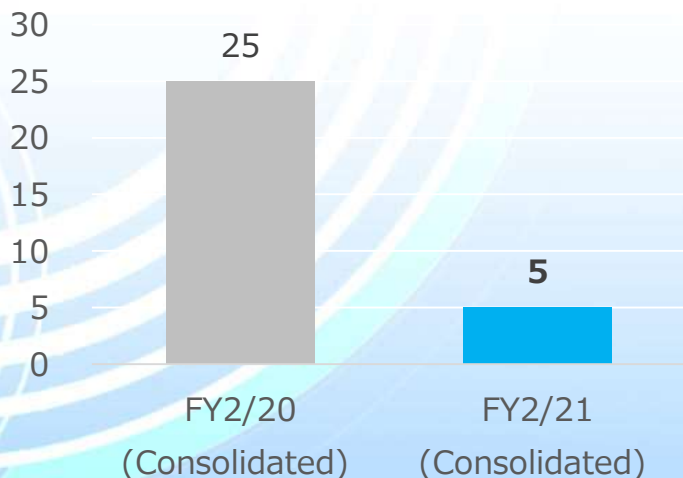


- Refrain from visiting retailers and restaurants due to the effects of the COVID-19 infection.
- Even after the state of emergency was lifted, sales activities could not be fully restored.

➤ Sales **1,251** million yen

➤ **35.7% Down y-o-y**

(million yen)



- Reduction of selling, general and administrative expenses.
- Recruitment costs for working staff, etc. for new orders for which sales will be recorded in the next fiscal year.

➤ Op. P **5** million yen

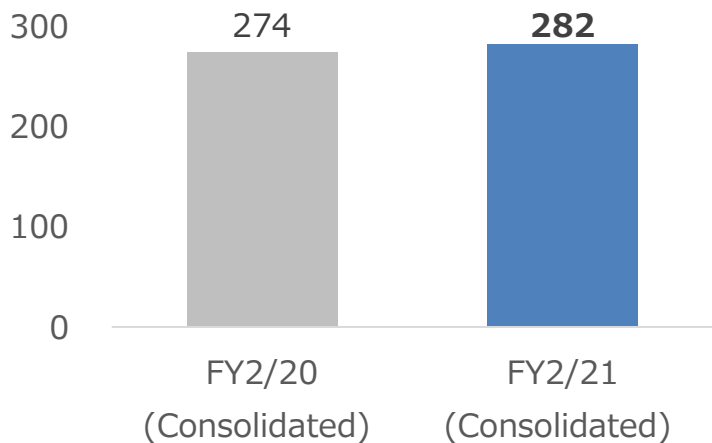
➤ **80.4% Down y-o-y**

# Segment Information (Others)

## 【Others(Sales·Profits)】

This segment is the automobile management business of Tokyo Jidoshu Kanri, a subsidiary of Japan Business Service.

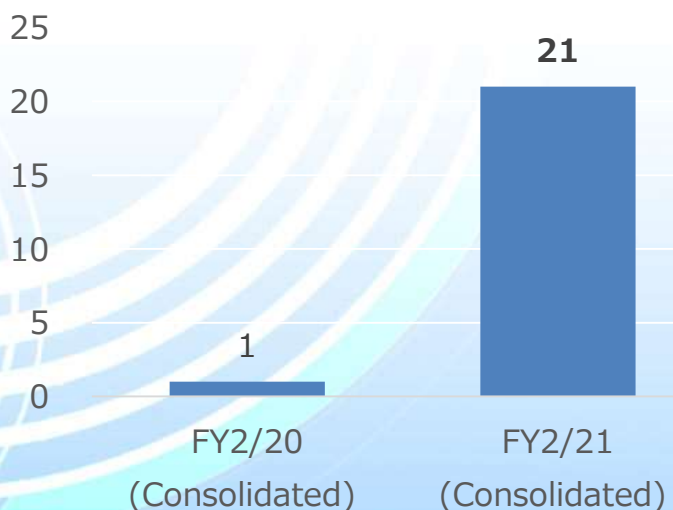
( million yen )



➤ Sales **282** million yen

➤ **3.0%** Up y-o-y

( million yen )



■ Reduction of labor costs.

➤ Op. P **21** million yen

➤ **1617.6%** Up y-o-y

# Statements of Income

	FY2/2019 Actual (Consolidated)	FY2/2020 Actual (Consolidated)	FY2/2021 Actual (Consolidated)	
	Amount (Million yen)	Amount (Million yen)	Amount (Million yen)	Year On Year Increase / decrease (Million yen/%)
Net sales	18,624	21,103	<b>30,276</b>	9,173 43.5
Clerical Human Resources Services (Sales Composition)	14,753 79.2%	15,686 74.3%	<b>25,517</b> <b>84.3%</b>	9,830 62.7
BPO (Sales Composition)	8,513 45.7%	8,463 40.1%	<b>17,202</b> <b>56.8%</b>	8,739 103.3
CRM (Sales Composition)	2,870 15.4%	3,604 17.1%	<b>3,465</b> <b>11.4%</b>	△ 138 △ 3.8
Offices Services (Sales Composition)	3,369 18.1%	3,618 17.1%	<b>4,848</b> <b>16.0%</b>	1,229 34.0
Manufacturing Human Resources (Sales Composition)	3,112 16.7%	3,194 15.1%	<b>3,225</b> <b>10.7%</b>	30 1.0
Sales Human Resources Services (Sales Composition)	492 2.6%	1,947 9.2%	<b>1,251</b> <b>4.1%</b>	△ 696 △ 35.7
Others (Sales Composition)	267 1.4%	274 1.3%	<b>282</b> <b>0.9%</b>	8 3.0
Operating Profit (Operating profit to Sales)	187 1.0%	692 3.3%	<b>2,729</b> <b>9.0%</b>	2,037 294.3
Ordinary Profit (Ordinary profit to Sales)	290 1.6%	690 3.3%	<b>2,772</b> <b>9.2%</b>	2,082 301.7
Profit attributable to owners of parent (Profit to Sales)	170 0.9%	526 2.5%	<b>2,053</b> <b>6.8%</b>	1,526 289.9

# Financial Condition

		FY2/20	FY2/21		
		Amount (Million yen)	Amount (Million yen)	Variance (Million yen)	Main reasons for changes (Million yen)
	Current assets	6,668 89.1%	<b>10,533</b> 91.4%	3,864	Cash and deposits +2,518 Notes and accounts receivable-trade +996 Investment securities △63
	Non-current assets	812 10.9%	<b>990</b> 8.6%	178	
Total assets		7,480 100.0%	<b>11,523</b> 100.0%	4,043	
	Current liabilities	3,215 43.0%	<b>5,429</b> 47.1%	2,213	Accounts payable +864 Accrued consumption taxes +674 Income taxes payable +495 Bonds payable (including current portion of bonds payable) △65
	Non-current liabilities	424 5.7%	<b>611</b> 5.3%	186	
Total liabilities		3,640 48.7%	<b>6,040</b> 52.4%	2,400	
Total net assets		3,840 51.3%	<b>5,483</b> 47.6%	1,642	
Total liabilities and net assets		7,480 100.0%	<b>11,523</b> 100.0%	4,043	



# Cash Flows

		FY2/20	FY2/21	
		Amount (Million yen)	Amount (Million yen)	Main reasons for changes (Million yen)
Operating activities		1,580	2,742	Profit before income taxes +2,772
				Increase in accounts payable +797
Investing activities		△ 39	△ 47	Increase in accrued consumption taxes +674
				Increase in trade receivables △996
				Decrease in advances received △257
				Proceeds from sales of investment securities +105
				Proceeds from withdrawal of time deposits +100
			Payments of leasehold and guarantee deposits △197	
			Purchase of property, plant and equipment and intangible assets △77	
Free cash flow		1,540	2,695	
Financing activities		△ 307	△ 176	Proceeds from long-term borrowings +600
				Repayments of long-term borrowings △309
				Purchase of treasury shares △299
				Dividends paid △122
Net increase (decrease) in cash and cash equivalents		1,232	2,518	
Cash and cash equivalents at beginning of period		2,683	3,916	
Cash and cash equivalents at end of period		3,916	6,435	

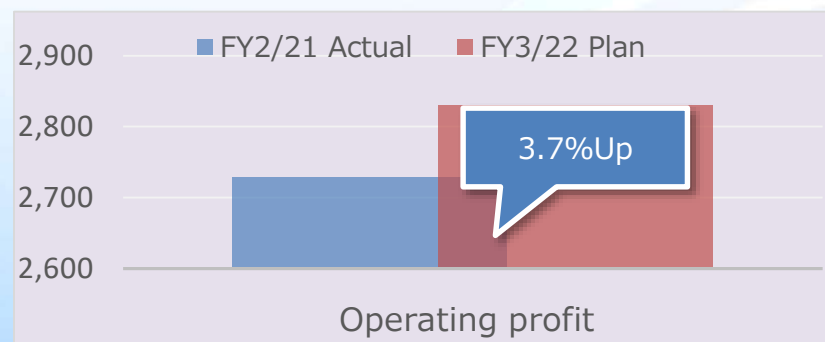
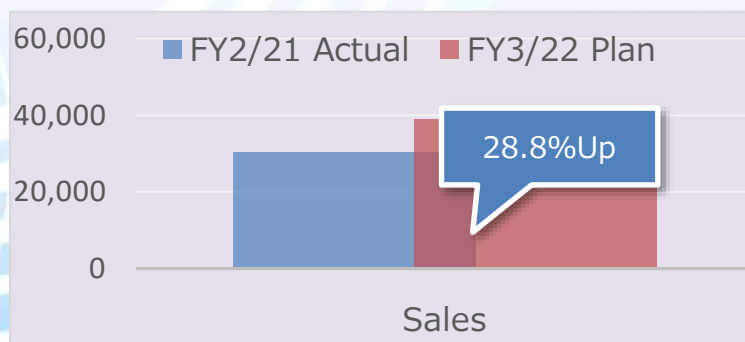
## **II. Annual Plan for FY3/22**



# Revised Annual Plan for FY3/22 (consolidated)

Sales are planned to increase 28.8% YoY to 39,000 million yen, and operating income is planned to increase 3.7% to 2,830 million yen.


	FY2/21 Actual		FY3/22 Plan	
	Amount (Million yen)	VS.FY2/20	Amount (Million yen)	VS.FY2/21
<b>Sales</b>	30,276	43.5%	39,000	28.8%
<b>Clerical human resources services</b>	25,517	62.7%	33,275	30.4%
<b>Manufacturing human resource services</b>	3,225	1.0%	4,028	24.9%
<b>Sales human resource services</b>	1,251	△ 35.7%	1,388	11.0%
<b>Others</b>	282	3.0%	309	9.6%
<b>Operating profit</b> 【% to Sales】	2,729 【9.0%】	294.3%	2,830 【7.3%】	3.7%
<b>Ordinary profit</b> 【% to Sales】	2,772 【9.2%】	301.7%	2,840 【7.3%】	2.4%
<b>Profit attributable to owners of parent</b> 【% to Sales】	2,053 【6.8%】	289.9%	2,080 【5.3%】	1.3%

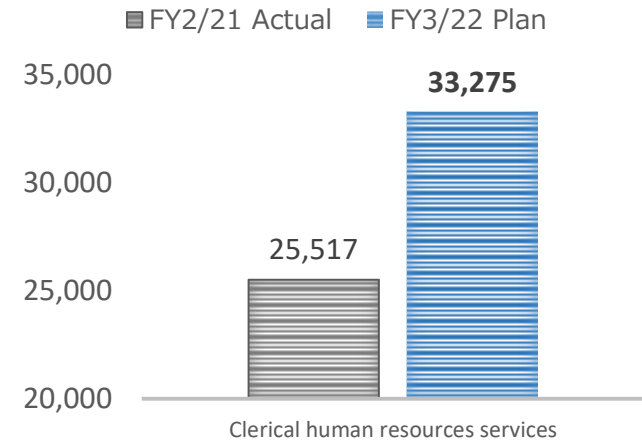


# Annual Plan for FY3/22 (Segment)

## Clerical Human Resource Services

- Actively develop orders for new BPO projects.
- Development of BPO operation incorporating IT elements.
- Recruitment of human resources suitable for business scale expansion and project diversification.
- Expanding market share of existing customers by raising service level.

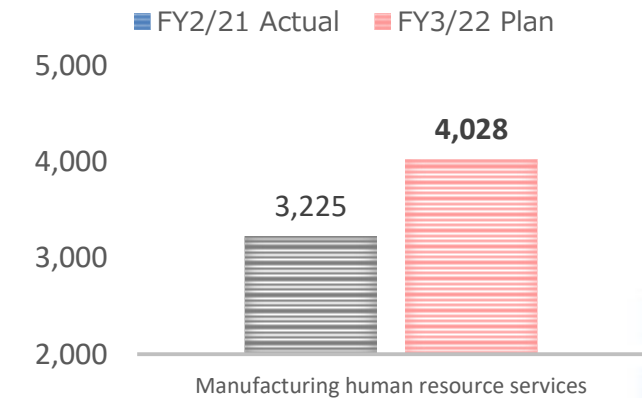

**sales 33,275 million yen**  
**FY2/2021 30.4% Up y-o-y**



## Manufacturing Human Resources Services

- Active expansion into new areas.
- Strengthen human resources competitiveness mainly for foreign workers.

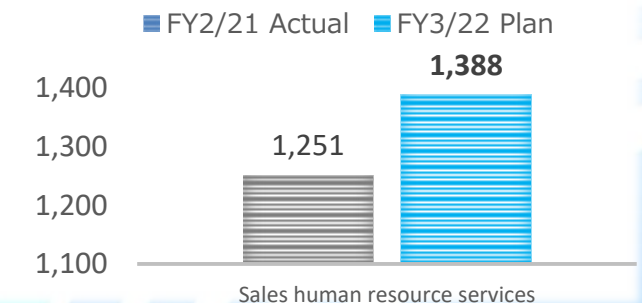

**sales 4,028百万円**  
**FY2/2021 24.9% Up y-o-y**



## Sales Human Resources Service

- Development of ordering activities for new products.
- Strengthening sales force.


**sales 1,388百万円**  
**FY2/2021 11.0% Up y-o-y**



# Investment and effects

Investment made in the 4th quarter of the FY2/21  
(= Steps for **business expansion in the next term**)

Develop a system  
including the IT to  
promote DX  
conversion

Use of knowledge  
management  
tools

Recruitment of  
core human  
resources



Investment  
effect

- ❑ Expansion of new customers and new business partners.
- ❑ Strengthening relationships with existing customers and existing business partners.
- ❑ Build the environment for resident administrators to maximum performance.
- ❑ Realization of quick and optimal operation of contracted projects even in the case of COVID-19 calamity.
- ❑ Orders for consignment projects from the public Sector· Promote orders for large projects from BPO companies.



# **III. Medium-Term Management Plan (FY3/2022-FY3/2024)**



# Medium-Term Management Plan

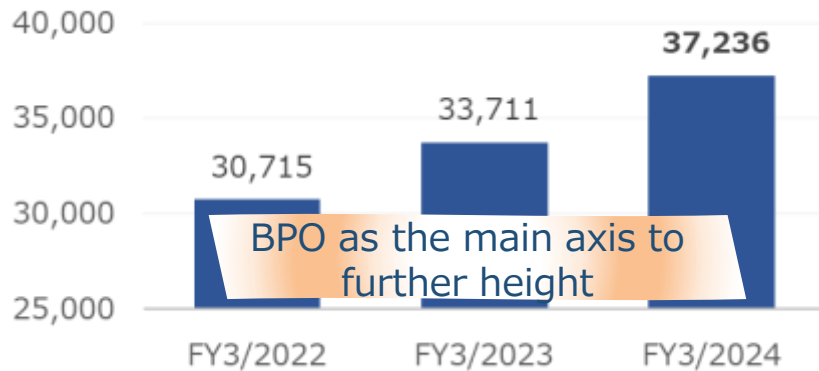
We plan to achieve sustainable growth of 10% annual sales in the clerical human resources services, 30% annual sales in the manufacturing human resources services, and more than 50% annual sales in the sales human resources services.

	<b>FY3/22</b> (※12 months conversion)	<b>FY3/23</b> (2022/4-2023/3)		<b>FY3/24</b> (2023/4-2024/3)	
	(Million yen)	(Million yen)	VS.FY2/21	(Million yen)	VS.F32/22
<b>Net sales</b>	<b>36,000</b>	<b>40,795</b>	<b>13.3%</b>	<b>46,980</b>	<b>15.2%</b>
<b>Clerical human resource services</b>	<b>30,715</b>	<b>33,711</b>	<b>9.8%</b>	<b>37,236</b>	<b>10.5%</b>
<b>Manufacturing human resource services</b>	<b>3,720</b>	<b>4,812</b>	<b>29.4%</b>	<b>6,439</b>	<b>33.8%</b>
<b>Sales human resource services</b>	<b>1,280</b>	<b>1,974</b>	<b>54.2%</b>	<b>3,001</b>	<b>52.0%</b>
<b>Operating profit</b> 【% to Sales】	<b>2,610</b> 【7.3%】	<b>3,300</b> 【8.1%】	<b>26.4%</b>	<b>4,240</b> 【9.0%】	<b>28.5%</b>
<b>Ordinary profit</b> 【% to Sales】	<b>2,620</b> 【7.3%】	<b>3,295</b> 【8.1%】	<b>25.8%</b>	<b>4,235</b> 【9.0%】	<b>28.5%</b>
<b>Profit attributable to owners of parent</b> 【% to Sales】	<b>1,920</b> 【5.3%】	<b>2,265</b> 【5.6%】	<b>18.0%</b>	<b>2,910</b> 【6.2%】	<b>28.5%</b>

※The year-on-year comparison is calculated by converting the FY3/2022 into 12 months for comparison.

# Medium-Term Profits Plan(Sales by segment)

## Clerical Human Resource Services



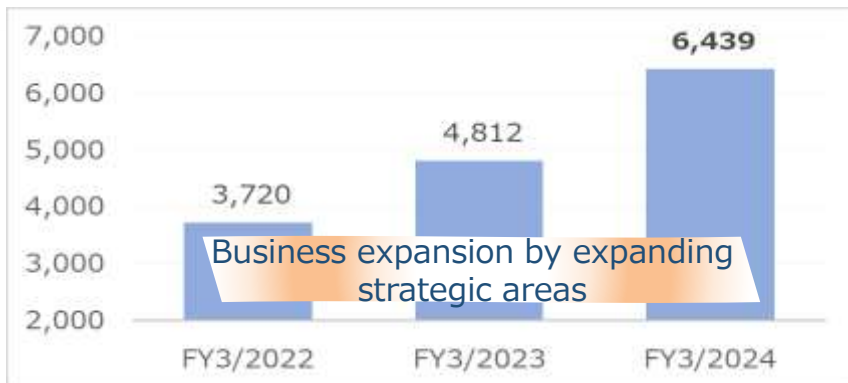
❖ FY3/23 sales **33,711**million yen

✓ **9.8%**Up y-o-y ※

➤ FY3/24 sales **37,236**million yen

✓ **10.5%**Up y-o-y

## Manufacturing Human Resources Services



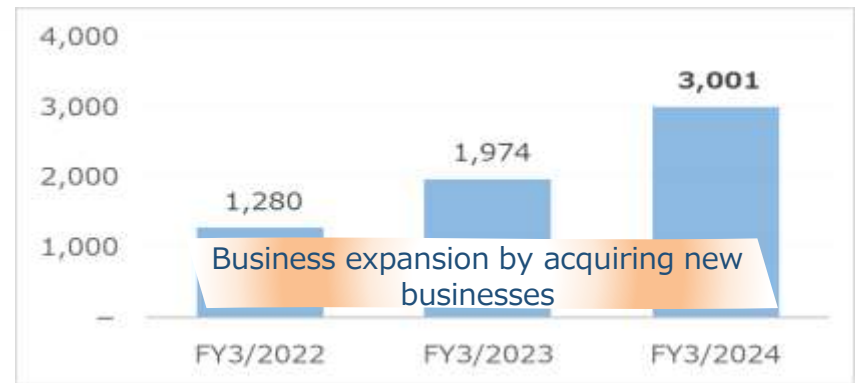
❖ FY3/23 sales **4,812**million yen

✓ **29.4%**Up y-o-y ※

❖ FY3/24 sales **6,439**million yen

✓ **33.8%**Up y-o-y

## Sales Human Resources Services



❖ FY3/23 sales **1,974**million yen

✓ **54.2%**Up y-o-y ※

❖ FY3/24 sales **3,001**million yen

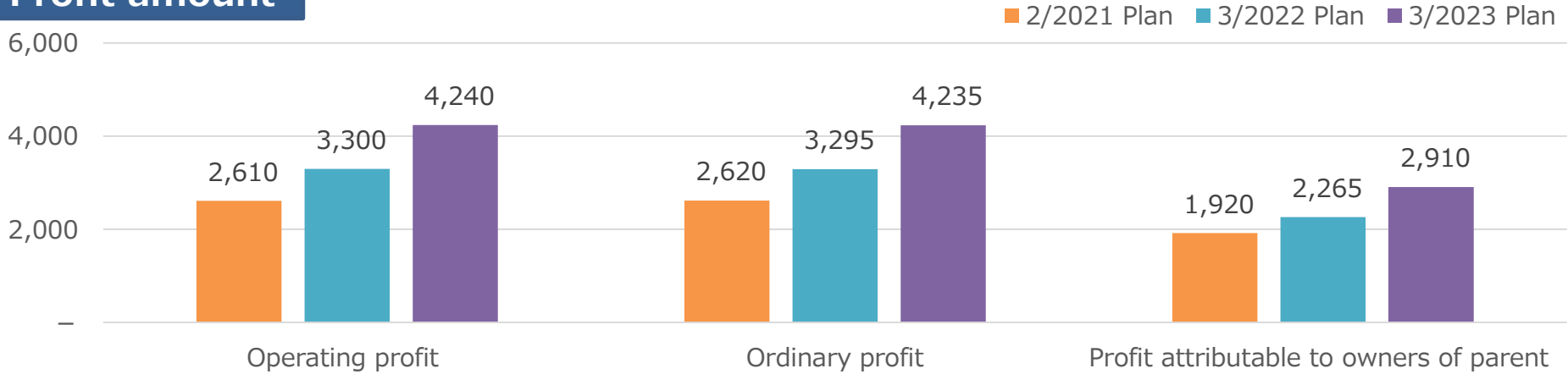
✓ **52.0%**Up y-o-y

※The year-on-year comparison is calculated by converting the FY3/2022 into 12 months for comparison.

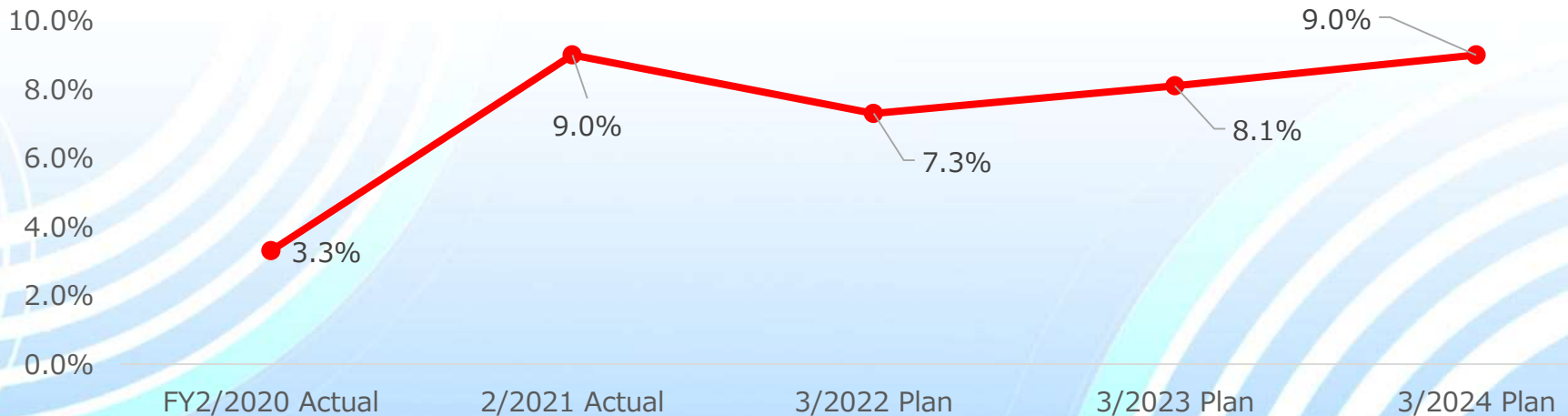
# Medium-Term Profits Plan(Profits)

In terms of profits, we will continue to invest and promote labor saving and operational efficiency.

## Profit amount



## Operating profit margin



# Medium-Term investment Plan

Promote further investment and contribute to **the achievement of the medium-term plan.**

Promotion of Digital transformation

Start from system development including system investment.

## Human resource investment for business expansion

- Focus on hiring core human resources to respond to business scale expansion and diversification of orders.
- Promote the development of next-generation core human resources.

## System maintenance for business scale expansion

- Expand the knowledge management tool for recruiting human resources development.
- Started renewal of staff my page and strengthening of staff management function.
- Promote operational efficiency by utilizing RPA.

## Infrastructure investment for business expansion

- Corresponding to the construction of BPO center according to demand.
- Expanding bases to new areas in the manufacturing human resources service business.
- Ensuring the safety of employees, customers and staff and developing infrastructure for new work styles.



# Strengths as a "platformer"

Public sector/Private enterprises/Financial institution

Direct contract

BPO Company

Sier

Sink Tank

Long-term contract · Short term contract



Main themes

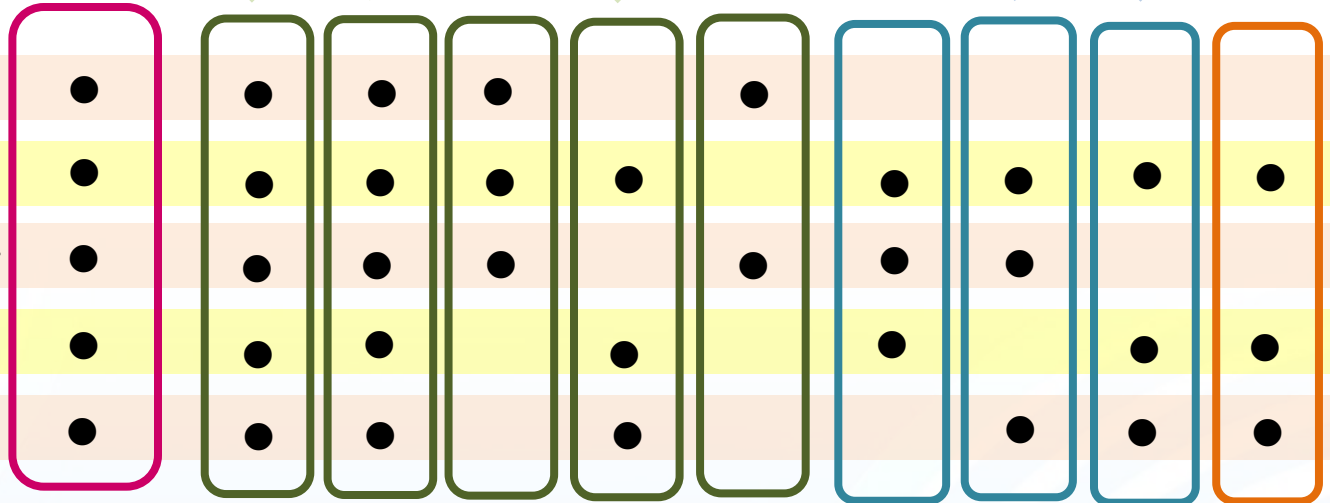
Public sector spot business

Individual number business

Core business of public sector

Core business of private sector

Finance



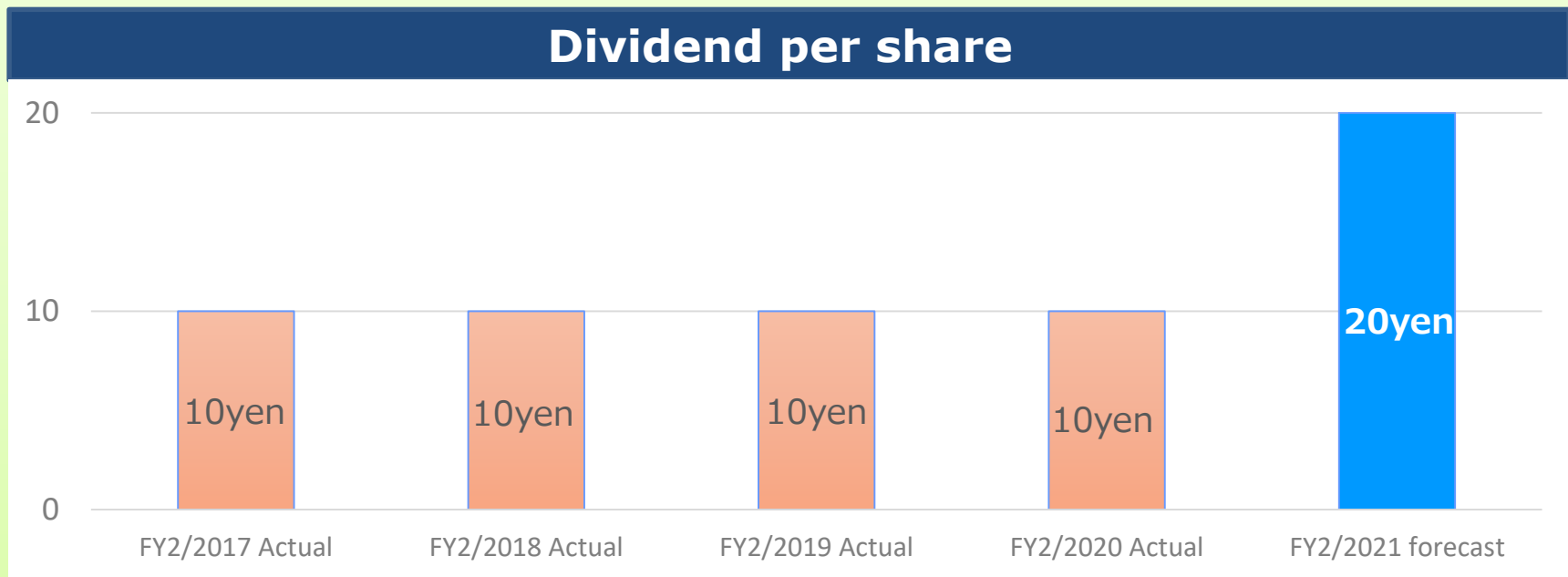
●...Orders received for the fiscal year ending February 2021

※ We have achieved both comprehensiveness of project consignment channels and securing profit levels, by continuously expanding business partners and strengthening relationships.

# Shareholder return policy(dividend)

Our basic dividend policy is internal reserves necessary for business development to sustain growth and strengthening of our management base.

We will continue to pay appropriate and stable dividends by comprehensively judging the business performance and overall management while ensuring the above.



# Shareholder return policy(Shareholder benefits)

## 【Changes】

Number of shares held	Shareholder benefits
100 to less than 200 shares	QUO card for ¥500
200 to less than 500 shares	QUO card for ¥1,000
500 shares and above	QUO card for ¥2,000



New Quo Card Plan for 5,000 yen added

## 【Change time】

It will be applied from the shareholder benefit shipment to shareholders listed or recorded in the shareholder list as of August 31, 2021.

(Scheduled to be shipped in October 2021)

保有株式数		株主優待品
100 to less than 200 shares		QUO card for ¥500
200 to less than 500 shares		QUO card for ¥1,000
Over 500 shares	Owned for less than 3 years	QUO card for ¥2,000
	Continued holding for 3 years or more	QUO card for ¥5,000

(※1) The number of shares held by shareholder benefits shall be recorded or recorded in the Company's shareholder registry on the record date (August 31), with August 31 as the record date each year.

(※2) "Holding 500 shares or more for 3 years or more" means holding 500 shares or more of the Company for 3 years or more (as of August 31, the record date, the same shareholders on the end of February and the end of August. It shall be listed or recorded in the shareholder list seven times or more in a row by number.

# IV. REFERENCE

# Company Overview

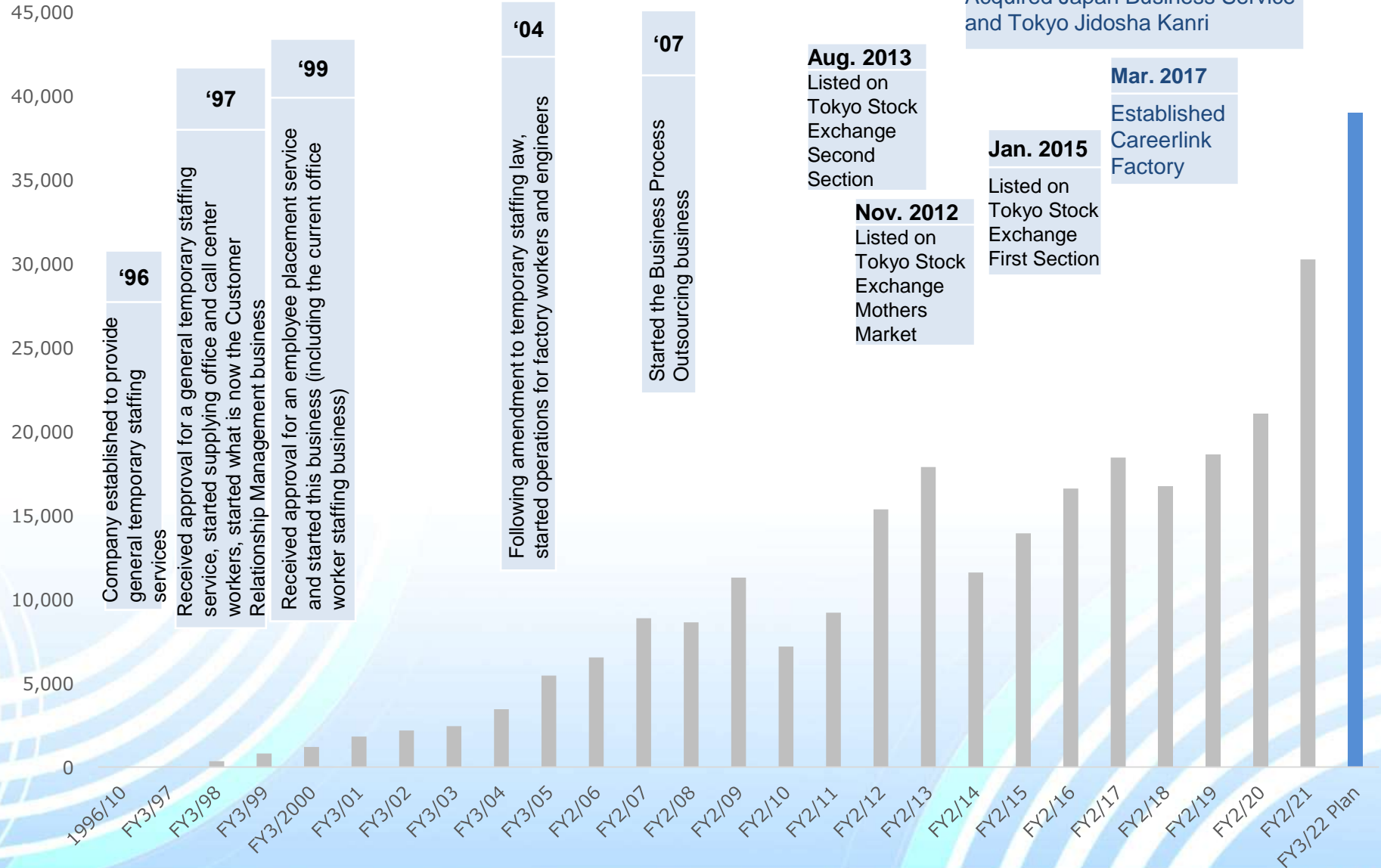
## CAREERLINK Co., Ltd.

<b>Head Office</b>	Nishi-Shinjuku 2-1-1, Shinjuku Ward, Tokyo	
<b>Representative</b>	President & Representative Director: Motoaki Narusawa	
<b>Established</b>	October 1st, 1996	
<b>Main Corporate Activities</b>	(Careerlink Group)	
	Clerical Human Resources Services Business	
	■ Business Process Outsourcing	
	■ Customer Relationship Management	
	■ Office Services	
	Manufacturing Human Resources Services Business	
	Sales Human Resources Services Business	
	Others	
<b>Stated Capital</b>	392 million yen	
<b>Employees</b>	546 (Consolidated 748) (As of Feb 28,2021)	
<b>Accounting Period</b>	February(From FY2/2021 to March)	
<b>Stock Exchange Listing</b>	Tokyo Stock Exchange, First Section (Stock Code:6070)	
<b>Group Companies</b>		
<b>CAREERLINKFACTORY Co., Ltd.</b>		
■ Manufacturing Human Resources services business		
<b>Japan Business Service Co., Ltd.</b>		
■ Clerical Human Resource services		
<b>Tokyo Jidosha Kanri Co., Ltd.</b>		
■ Others (Automobile management business)		



# Significant Events and Sales Growth

(Million yen)



# About Careerlink Group's destination

**"We believe the joy of work"**

## BPO service industry trend

Outsourcing of public business

Outsource congratulatory work to concentrate management resources on core businesses

➡ Coexist with COVID-19/After COVID-19  
Acceleration & progress

**Sustainable growth of Clerical Human Resource Services**

Manufacturing Human Resources Services  
Sales Human Resources Services

Work style reform

Lifestyle changes in the COVID-19 calamity

➡ **New business opportunity**

**Challenge to new fields, Cultivating new customers**

Promotion of digital transformation

**Own business Model building**

# Careerlink Group's strength



**Planning and proposal capabilities to improve work efficiency.**

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**Operational ability to perform large-scale, high-quality business processing.**

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**Recruitment ability to attract high-spec human resources in a short period of time.**

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**Ability to reduce costs by methods such as system introduction.**

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# Business Activities (1)

## < Office personnel service business >

### ① Business Process Outsourcing

#### **B**usiness **P**rocess **O**utsourcing

Outsourcing part of the business process of government offices, local governments, companies, etc., including the planning and design of business to implementation.

#### Business content

- ◆ Business processing by our company alone or through a BPO vendor.
- ◆ Personnel dispatch / business contract with business process restructuring proposal
- ◆ Business contract for business processes of government offices and companies

#### Benefits of using our company

- Improve business efficiency and quality by proposing business process restructuring.
- Launch a business center in a short period of time even for mass processing projects.

# Business Activities (2)

## ② Customer Relationship Management

The use of data systems at contact centers and other locations to establish long-term relationships with customers

### Activities

- ◆ Temporary staffing and permanent placement services for telemarketing companies
- ◆ Temporary staffing and permanent placement services for contact centers of companies and other organizations
- ◆ Contracted CRM services using Careerlink contact centers

### Benefits of Using Careerlink

- ◆ Access to Careerlink's extensive knowledge concerning recruiting, training and the operation of contact centers
- ◆ Ability to utilize Careerlink's advanced data equipment and a team of highly skilled professionals

## ③ Office Services

### Activities

- ◆ Speedy temporary staffing and permanent placement services for all types of office workers, from specialists to other employees

## <Sales Human Resource Services>

### Activities

- ◆ Temporary staffing in sales business and contracted business

## <Manufacturing Human Resource Services>

### Activities

- ◆ Temporary staffing, temporary-to-permanent employment and permanent placement services for food companies; temporary staffing, temporary-to-permanent employment, permanent placement services and subcontracting for manufacturing, packaging, shipping and other tasks involving manufacturing and other industries

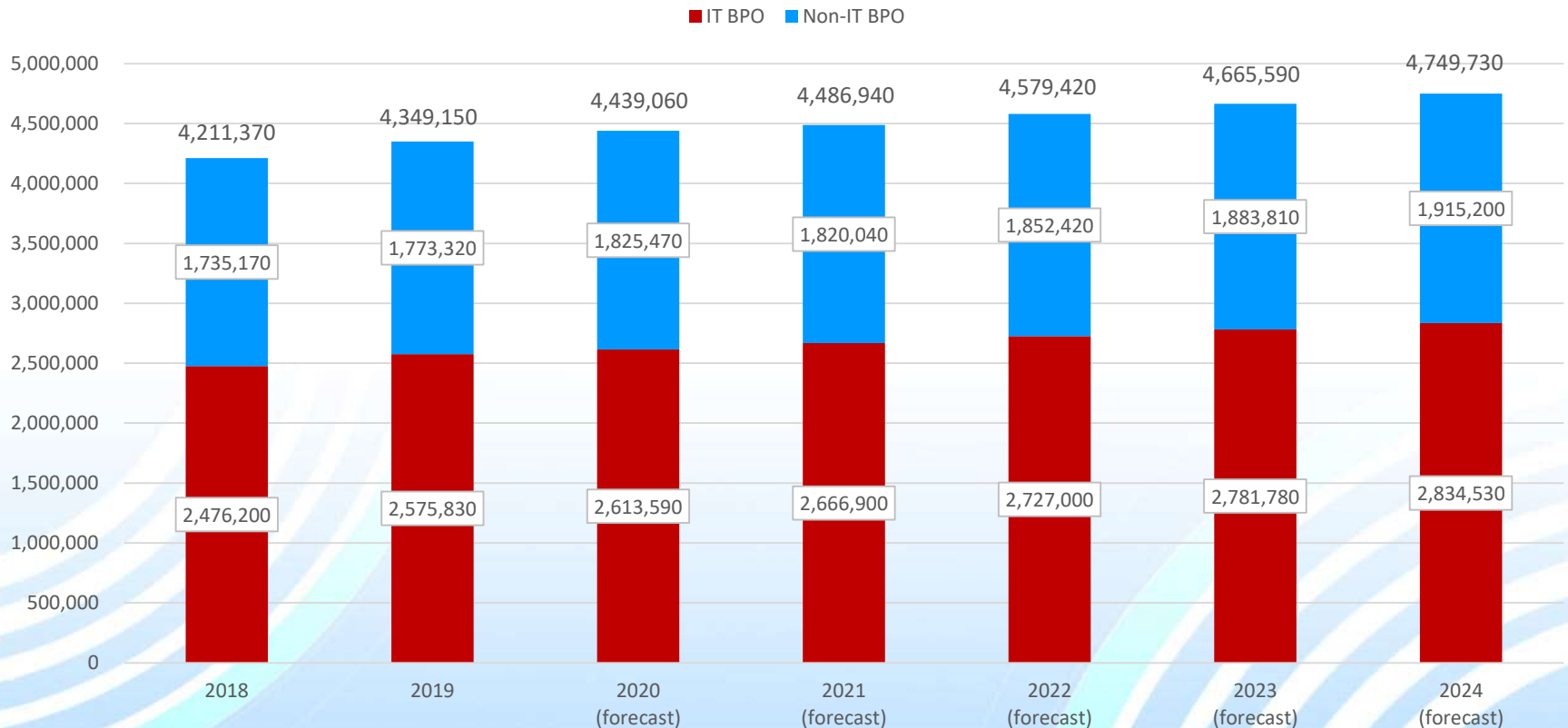


# BPO service industry trends

The overall market size of BPO services in FY2020 is 4,439,060 million yen, up 2.1% from the previous year on a business sales basis.

Looking at the breakdown, the IT-related BPO market size is up 1.5% year-on-year.

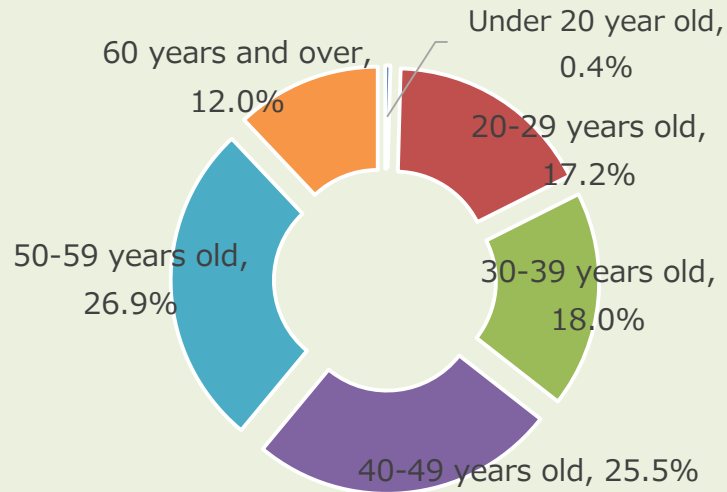
Positive growth is expected to continue, with a total of 613,590 million yen and a non-IT BPO market size of 1,825,470 million yen, up 2.9% year-on-year.



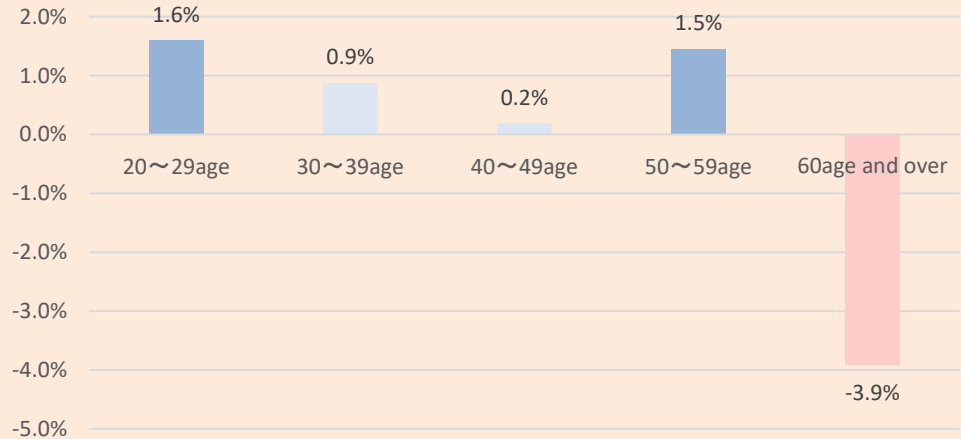
Source:Yano Research institute Ltd.

# Careerlink Group's working staff attributes

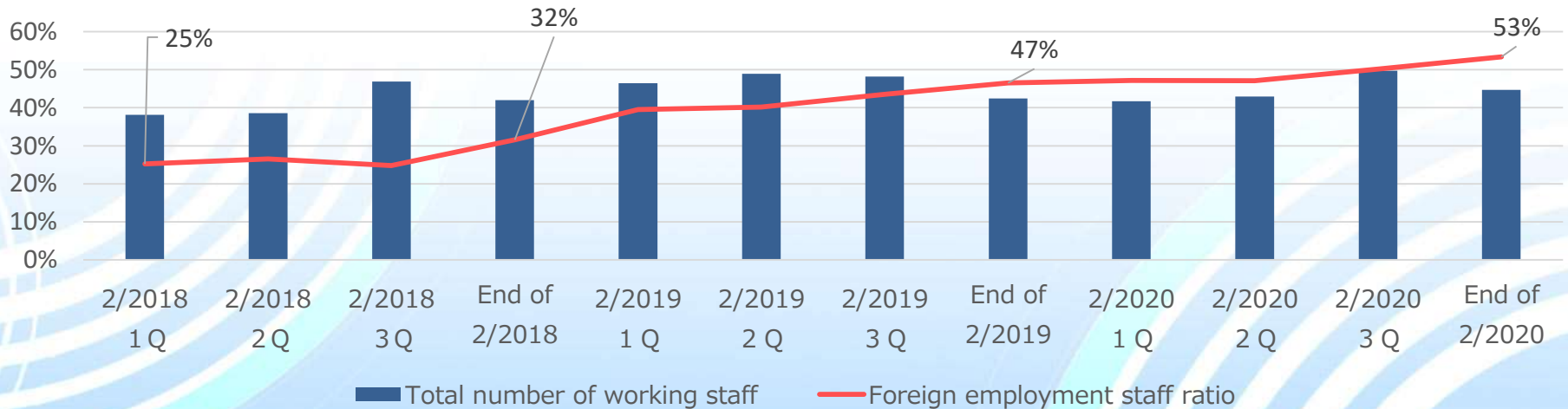
Staff composition by age ( Consolidated )



Increase / decrease rate of age structure  
(Non-consolidated ,Compared to the previous year)



Percentage of foreign nationals among workers at CAREERLINKFACTORY Co.,Ltd.



※As of the end of February 2021

# Strategy SDGs Action

## Contribute to society through our business

Since the establishment of Careerlink in October 1996, the Group's mission has been to contribute to society through the expansion of employment. By setting our goal as 「Aiming to become Japan's most caring human resources company」, We have grown by providing a wide variety of job opportunities for many job seekers. With our corporate philosophy of “We believe the joy of work” as our starting point, continuing the mission in the mid-term plan, we will continue to take actions on SDGs.

### SUSTAINABLE DEVELOPMENT GOALS



The SDGs (Sustainable Development Goals) are the international goals for the period 2016-2030 as stated in the 2030 Agenda for Sustainable Development, adopted at the United Nations Summit in September 2015.

Dedicated to sincerity and excellence for human resource services



すべての  に  
働くよろこびを  
We believe the joy of work.

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