



## Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2023 [Japanese GAAP]

August 12, 2022

Name of Listed Company: CAREERLINK CO., LTD.

Stock Listing: TSE

Code Number: 6070

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

Representative: (Title) President, Representative Director, and Executive Officer

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Contact Point: (Title) Director, Managing Executive Officer, and General Manager of Administration Division

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Scheduled Date of Financial Statements Filing: August 12, 2022

Scheduled Date of Dividend Payment Start: -

Supplementary Materials for Financial Results: Yes

Investor Conference for Financial Results: No

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

### 1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2023 (April 1, 2022 to June 30, 2022)

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

|                              | Net sales       |      | Operating profit |      | Ordinary profit |      | Profit attributable to owners of parent |      |
|------------------------------|-----------------|------|------------------|------|-----------------|------|---|------|
|                              | Millions of yen | %    | Millions of yen  | %    | Millions of yen | %    | Millions of yen                         | %    |
| 3 months ended June 30, 2022 | 10,601          | -    | 1,070            | -    | 1,071           | -    | 732                                     | -    |
| 3 months ended May 31, 2021  | 7,709           | 19.8 | 739              | 40.5 | 754             | 43.7 | 503                                     | 38.1 |

(Note) Comprehensive income FY 3/2023 1Q: ¥738 million (-%) FY 3/2022 1Q: ¥510 million (29.6%)

|                              | Net income per share | Diluted net income per share |
|------------------------------|----------------------|------------------------------|
|                              | Yen                  | Yen                          |
| 3 months ended June 30, 2022 | 62.02                | 61.72                        |
| 3 months ended May 31, 2021  | 42.73                | 42.54                        |

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

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

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

#### (2) Consolidated Financial Position

|                      | Total assets    | Net assets      | Equity ratio |
|----------------------|-----------------|-----------------|--------------|
|                      | Millions of yen | Millions of yen | %            |
| As of June 30, 2022  | 14,229          | 8,486           | 58.9         |
| As of March 31, 2022 | 16,543          | 8,404           | 50.2         |

(Reference) Equity capital: FY 3/2023 1Q: ¥8,381 million FY 3/2022: ¥8,303 million

### 2. Dividends

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

Note: Revision of forecast for dividend recently announced: No

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

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

|                                  | Net sales       |   | Operating profit |   | Ordinary profit |   | Profit attributable to owners of parent |   | Net income per share |
|----------------------------------|-----------------|---|------------------|---|-----------------|---|---|---|----------------------|
|                                  | Millions of yen | % | Millions of yen  | % | Millions of yen | % | Millions of yen                         | % | Yen                  |
| First half<br>(cumulative total) | 22,736          | - | 1,639            | - | 1,638           | - | 1,103                                   | - | 93.38                |
| Year ending March<br>31, 2023    | 50,019          | - | 4,642            | - | 4,640           | - | 3,173                                   | - | 268.73               |

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

Note 2. We changed the account closing date from the last day of February to March 31 in the term ended March 31, 2022.

Accordingly, the period of the second quarter of the term ending March 31, 2023 (April 1 to September 30, 2022) is different from the period of the second quarter of the term ended March 31, 2022 (March 1 to August 31, 2021). Therefore, year-on-year increase/decrease rates are not written. The term ended March 31, 2022 spans 13 months due to the change in the accounting period, so year-on-year increase/decrease rates of annual figures are not written.

\*Notes

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

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

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

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

(4) Number of outstanding shares (common stock)

|  |                     |                   |                             |                   |
|--|---------------------|-------------------|-----------------------------|-------------------|
| 1) Number of outstanding shares (including treasury shares) at end of term | As of June 30, 2022 | 12,590,800 shares | As of March 31, 2022        | 12,583,400 shares |
| 2) Number of treasury shares at end of term                                | As of June 30, 2022 | 775,425 shares    | As of March 31, 2022        | 775,825 shares    |
| 3) Average number of shares during the period (during the quarter)         | As of June 30, 2022 | 11,807,996 shares | 3 months ended May 31, 2021 | 11,793,248 shares |

Note: The shares in the Company possessed by Custody Bank of Japan, Ltd. (Trust E) (1Q of the fiscal year ending March 31, 2023: 46,600 shares / fiscal year ended March 31, 2022: 47,000 shares) are included in the number of treasury shares at end of term as a trust asset of the stock benefit trust (J-ESOP). In addition, the shares in the Company possessed by Custody Bank of Japan, Ltd. (Trust E) are included in the treasury shares to be deducted in the calculation of the average number of shares during the period (1Q of the fiscal year ending March 31, 2023: 46,823 shares / 1Q of the fiscal year ended March 31, 2022: 47,327 shares).

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

\*Cautionary statement regarding forecasts of operating results and special notes

Forward-looking statements in these materials are based on information currently available to the Company and assumptions that the Company believes are reasonable. These statements are not promise by the Company regarding future performance. Actual results may differ significantly from these statements for a number of reasons. For information on the forecasts and cautions when using these forecasts, please see “(3) Explanation Regarding Future Forecast Information Including Forecast of Consolidated Financial Results of 1. Qualitative Information” on page 4.

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## 1. Qualitative Information

### (1) Explanation of Financial Results

The Company changed its fiscal year end from the last day of February to March 31 by the resolution to change a part of the Article of Incorporation at the annual general meeting of shareholders held on May 28, 2021. As a transitional measure, fiscal year ended March 31, 2022 was a 13-month period from March 1, 2021 to March 31, 2022. Accordingly, the period of the first quarter of the term ending March 31, 2023 (April 1 to June 30, 2022) is different from the period of the first quarter of the term ended March 31, 2022 (March 1 to May 31, 2021). Therefore, year-on-year increase/decrease and their rates are not written. In addition, we have been applying the “Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020); hereinafter the ‘Revenue Recognition Accounting Standard,’” etc. since the beginning of the first quarter of the term ending March 31, 2023. Accordingly, the figures in the first quarter of the term ending March 31, 2023 are those after the application of the Revenue Recognition Accounting Standard, etc. For the details of the application of the Revenue Recognition Accounting Standard, etc., please see “(Changes in Accounting Policies) of (3) Notes to Consolidated Financial Statements in 2. Consolidated Financial Statements and Notes.”

In the first quarter of the term ending March 31, 2023, the Japanese economy saw the sluggish recovery of consumer spending and corporate earnings, due to the skyrocketing of prices of resources, including crude oil, the rapid weakening of the yen, etc. In the latter half of the first quarter, the outlook for the domestic economy became more uncertain, due to the concern over the resurgence of COVID-19, etc.

The outlook for the global economy, too, was more uncertain than before, due to the skyrocketing of prices of commodities, including natural resources, in the wake of Russia’s invasion into Ukraine, etc. although there was a sign of recovery of economic activities mainly in Europe and the U.S. after many people were vaccinated against COVID-19.

In this situation, the environment surrounding the Japanese human resource service industry showed a gentle recovery and the impact of COVID-19 on economic activities weakened gradually. However, in the latter half of the first quarter of the term ending March 31, 2023, there was concern over the resurgence of COVID-19 due to new variants.

Under such a business environment, our corporate group actively promoted businesses, mainly business process outsourcing section, like in the previous fiscal year.

In the first quarter of the term ending March 31, 2023, the clerical human resource services business steadily received orders for continuous and new projects from local governments and leading BPO business operators and orders for BPO projects and new CRM projects from new clients, while the manufacturing human resource services business increased new clients through the 6 footholds established in the previous fiscal year, so the amount of orders grew in the manufacturing and processing category and the food processing category. Regarding the sales human resource services business, the impact of COVID-19 subsided, so we strived to expand the business, but could not produce sufficient results.

As a result, net sales in the first quarter of the term ending March 31, 2023 were 10,601,721 thousand yen, as the clerical human resource services business steadily received orders from local governments and leading BPO business operators and the manufacturing human resource services business had a healthy amount of orders.

In terms of profit, operating profit was 1,070,287 thousand yen, ordinary profit was 1,071,132 thousand yen, and profit attributable to owners of parent was 732,368 thousand yen, due to the net sales growth and the receipt of orders for profitable projects.

#### (Clerical human resource services business)

The business process outsourcing section kept receiving orders for continuous and new projects from local governments and leading BPO business operators, and the customer relationship management section increased new clients and the amount of orders from existing clients. In addition, in the office services section, the number of transactions for dispatching office workers to financial institutions was healthy although the scale of large-scale spot transactions shrank. As a result, net sales of this business were 9,072,227 thousand yen. In terms of profit, operating profit was 1,019,121 thousand yen, as the amount of orders increased, we received new orders for profitable projects, and made efforts to rationalize and cut down the expenses for increasing registered workers and recruiting workers.

#### a) Business process outsourcing

Net sales of this section were 6,755,787 thousand yen, because we were able to secure the amount of orders for continuous projects and started transactions with new local governments as we made efforts to increase orders for

continuous projects, social security and tax number projects, and benefit projects from local governments, leading BPO business operators, etc.

(b) Customer relationship management

Net sales of this section were 1,024,425 thousand yen, as we received a favorable number of orders for call center operations, etc. from new clients in Sapporo, Sendai, Fukuoka, and Okinawa and increased the amount of orders from existing clients, including telemarketing business operators.

(c) Office services

Net sales of this section were 1,292,014 thousand yen, as we steadily received orders for staffing from financial institutions and orders from local governments, etc. although the scale of large-scale spot transactions shrank.

(Manufacturing human resource services business)

Net sales of this business were 1,238,185 thousand yen, as the amount of orders steadily increased in both the manufacturing and processing category and the food processing category, thanks to the efforts to increase new clients, mainly targeting affiliated enterprises of existing clients. In terms of profit, operating profit was 49,914 thousand yen, as the amount of orders grew.

(Sales human resource services business)

Net sales of this business were 214,288 thousand yen, as we actively conducted marketing to increase new clients and strived to increase the share of existing clients since the impact of COVID-19 subsided, but could not produce sufficient results. In terms of profit, we strived to reduce expenses for increasing registered workers, etc., but posted an operating loss of 7,660 thousand yen.

(Other services)

This business is the automobile management business of Tokyo Vehicle Management Co., Ltd., a subsidiary of Japan Business Service Co., Ltd. Net sales of this business were healthy and amounted to 77,019 thousand yen. Operating profit was 8,912 thousand yen.

## (2) Explanation of Financial Position

### (Assets)

Total assets at the end of the first quarter of the term ending March 31, 2023 are 14,229,945 thousand yen, down 2,314,043 thousand yen from the end of the previous fiscal year. This is due mainly to a decrease of 2,682,310 thousand yen in “Notes and accounts receivable - trade, and contract assets” (“Notes and accounts receivable - trade” at the end of the previous fiscal year).

### (Liabilities)

Total liabilities at the end of the first quarter of the term ending March 31, 2023 are 5,743,826 thousand yen, down 2,395,658 thousand yen from the end of the previous fiscal year. This is due mainly to a decrease of 989,087 thousand yen in “Income taxes payable,” of 891,490 thousand yen in “Accounts payable - other” and of 278,422 thousand yen in “Other” in the “Current liabilities” section including “Accrued expenses” and “Accrued consumption taxes” despite an increase of 54,000 thousand yen in “Short-term borrowings.”

### (Net assets)

Total net assets at the end of the first quarter of the term ending March 31, 2023 are 8,486,118 thousand yen, up 81,614 thousand yen from the end of the previous fiscal year. This is due mainly to an increase of 69,686 thousand yen in “Retained earnings” (up 732,368 thousand yen in “Profit attributable to owners of parent” and down 474,183 thousand yen due to the payment of dividends and 188,498 thousand yen after the application of the Revenue Recognition Accounting Standard, etc.) and of 15,887 thousand yen in “Share acquisition rights.”

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

There are no revisions to the forecast for the fiscal year ending March 31, 2023, which was announced on May 13, 2022.

## 2. Consolidated Financial Statements and Notes

### (1) Consolidated Balance Sheets

(Unit: Thousands of yen)

|  | As of March 31, 2022 | As of June 30, 2022 |
|--|----------------------|---------------------|
| <b>Assets</b>  |                      |                     |
| Current assets   |                      |                     |
| Cash and deposits  | 7,031,627            | 7,521,094           |
| Notes and accounts receivable - trade                      | 7,962,411            | -                   |
| Notes and accounts receivable - trade, and contract assets | -                    | 5,280,101           |
| Inventories  | 4,422                | 3,189               |
| Income taxes receivable                                    | -                    | 2,869               |
| Other  | 330,644              | 330,215             |
| Allowance for doubtful accounts                            | (2,139)              | (1,100)             |
| Total current assets                                       | 15,326,967           | 13,136,370          |
| Non-current assets   |                      |                     |
| Property, plant and equipment                              | 280,207              | 255,273             |
| Intangible assets  | 134,667              | 120,245             |
| Investments and other assets                               | 802,147              | 718,056             |
| Total non-current assets                                   | 1,217,021            | 1,093,574           |
| Total assets   | 16,543,988           | 14,229,945          |
| <b>Liabilities</b>   |                      |                     |
| Current liabilities  |                      |                     |
| Short-term borrowings                                      | 36,000               | 90,000              |
| Current portion of bonds payable                           | 30,000               | 30,000              |
| Current portion of long-term borrowings                    | 284,960              | 261,621             |
| Accounts payable - other                                   | 3,329,102            | 2,437,612           |
| Income taxes payable                                       | 1,151,452            | 162,365             |
| Provision for bonuses                                      | 220,823              | 120,922             |
| Provision for loss on order received                       | 117,249              | -                   |
| Other  | 2,204,761            | 1,926,338           |
| Total current liabilities                                  | 7,374,350            | 5,028,859           |
| Non-current liabilities                                    |                      |                     |
| Bonds payable  | 50,000               | 50,000              |
| Long-term borrowings                                       | 579,740              | 527,220             |
| Provision for share-based remuneration                     | 19,299               | 18,934              |
| Retirement benefit liability                               | 2,987                | 2,036               |
| Asset retirement obligations                               | 81,098               | 83,288              |
| Other  | 32,008               | 33,487              |
| Total non-current liabilities                              | 765,134              | 714,966             |
| Total liabilities  | 8,139,485            | 5,743,826           |
| <b>Net assets</b>  |                      |                     |
| Shareholders' equity                                       |                      |                     |
| Share capital  | 397,601              | 400,567             |
| Capital surplus  | 238,029              | 241,036             |
| Retained earnings  | 8,139,222            | 8,208,909           |
| Treasury shares  | (478,733)            | (478,431)           |
| Total shareholders' equity                                 | 8,296,120            | 8,372,080           |
| Accumulated other comprehensive income                     |                      |                     |
| Valuation difference on available-for-sale securities      | 7,775                | 9,583               |
| Total accumulated other comprehensive income               | 7,775                | 9,583               |
| Share acquisition rights                                   | 34,265               | 50,152              |
| Non-controlling interests                                  | 66,342               | 54,301              |
| Total net assets   | 8,404,503            | 8,486,118           |
| Total liabilities and net assets                           | 16,543,988           | 14,229,945          |



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

Consolidated Statements of Income

For the first quarter

(Unit: Thousands of yen)

|  | Three months ended<br>May 31, 2021 | Three months ended<br>June 30, 2022 |
|--|------------------------------------|-------------------------------------|
| Net sales  | 7,709,398                          | 10,601,721                          |
| Cost of sales                                    | 5,854,783                          | 8,324,737                           |
| Gross profit                                     | 1,854,615                          | 2,276,984                           |
| Selling, general and administrative expenses     | 1,115,459                          | 1,206,697                           |
| Operating profit                                 | 739,155                            | 1,070,287                           |
| Non-operating income                             |                                    |                                     |
| Interest income                                  | 4                                  | 2                                   |
| Subsidy income                                   | 16,836                             | 1,610                               |
| Other  | 120                                | 310                                 |
| Total non-operating income                       | 16,962                             | 1,922                               |
| Non-operating expenses                           |                                    |                                     |
| Interest expenses                                | 1,061                              | 994                                 |
| Other  | 127                                | 82                                  |
| Total non-operating expenses                     | 1,188                              | 1,077                               |
| Ordinary profit                                  | 754,929                            | 1,071,132                           |
| Profit before income taxes                       | 754,929                            | 1,071,132                           |
| Income taxes-current                             | 229,990                            | 166,365                             |
| Income taxes-deferred                            | 19,176                             | 168,435                             |
| Total income taxes                               | 249,166                            | 334,801                             |
| Profit   | 505,763                            | 736,330                             |
| Profit attributable to non-controlling interests | 1,791                              | 3,962                               |
| Profit attributable to owners of parent          | 503,971                            | 732,368                             |

Consolidated Statements of Comprehensive Income

For the first quarter

(Unit: Thousands of yen)

|  | Three months ended<br>May 31, 2021 | Three months ended<br>June 30, 2022 |
|--|------------------------------------|-------------------------------------|
| Profit   | 505,763                            | 736,330                             |
| Other comprehensive income                                     |                                    |                                     |
| Valuation difference on available-for-sale securities          | 5,010                              | 1,808                               |
| Total other comprehensive income                               | 5,010                              | 1,808                               |
| Comprehensive income   | 510,773                            | 738,139                             |
| Comprehensive income attributable to                           |                                    |                                     |
| Comprehensive income attributable to owners of parent          | 508,981                            | 734,176                             |
| Comprehensive income attributable to non-controlling interests | 1,791                              | 3,962                               |

### (3) Notes to Consolidated Financial Statements

(Notes Relating to Going Concern Assumption)

None applicable.

(Notes on Significant Changes in Shareholders' Equity)

None applicable.

(Changes in Accounting Policies)

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

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

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

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

As a result of the application of the new accounting policies from the beginning of the first quarter of the term ending March 31, 2023, net sales increased 554,712 thousand yen, operating profit and ordinary profit increased 183,589 thousand yen, and profit attributable to owners of parent increased 127,374 thousand yen in the first quarter of the term ending March 31, 2023. However, the impact of this change on the consolidated financial statements for the current fiscal year is immaterial because most of the contracted projects were inspected by the end of March 2023, the end of the current fiscal year. The application of the new accounting policies resulted in a decrease of 188,498 thousand yen in retained earnings at the beginning of the first quarter of the term ending March 31, 2023.

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

(Application of Accounting Standard for Fair Value Measurement)

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

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

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

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

(Additional Information)

(Impact of COVID-19)

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

(Segment Information, etc.)

[Segment Information]

I For the first quarter ended May 31, 2021 (March 1, 2021 - May 31, 2021)

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

(Unit: Thousands of yen)

|                                  | Reporting segments                        |  |  |           | Other <sup>(Note 1)</sup> | Amount on the consolidated statements of income <sup>(Note 2)</sup> |
|----------------------------------|---|--|--|-----------|---------------------------|---|
|                                  | Clerical human resource services business | Manufacturing human resource services business | Sales human resource services business | Total     |                           |   |
| Net sales                        |   |  |  |           |                           |   |
| To outside customers             | 6,406,621                                 | 916,730  | 310,858                                | 7,634,210 | 75,188                    | 7,709,398   |
| Intersegment sales and transfers | -   | -  | -                                      | -         | -                         | -   |
| Total                            | 6,406,621                                 | 916,730  | 310,858                                | 7,634,210 | 75,188                    | 7,709,398   |
| Segment income                   | 701,891                                   | 22,391   | 7,134                                  | 731,417   | 7,737                     | 739,155   |

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

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

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

None applicable.

II For the first quarter ended June 30, 2022 (April 1, 2022 - June 30, 2022)

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

(Unit: Thousands of yen)

|   | Reporting segments                        |  |  |            | Other <sup>(Note 1)</sup> | Amount on the consolidated statements of income <sup>(Note 2)</sup> |
|---|---|--|--|------------|---------------------------|---|
|   | Clerical human resource services business | Manufacturing human resource services business | Sales human resource services business | Total      |                           |   |
| Net sales   |   |  |  |            |                           |   |
| Dispatch of workers                                       | 5,376,247                                 | 1,234,783                                      | 4,964                                  | 6,615,995  | -                         | 6,615,995   |
| Undertaking of tasks                                      | 3,679,597                                 | -  | 209,324                                | 3,888,921  | 77,019                    | 3,965,941   |
| Dispatch of workers to be employed as full-time employees | 988                                       | -  | -                                      | 988        | -                         | 988   |
| Introduction of workers                                   | 15,393                                    | 3,402  | -                                      | 18,795     | -                         | 18,795  |
| Revenues from contracts with customers                    | 9,072,227                                 | 1,238,185                                      | 214,288                                | 10,524,701 | 77,019                    | 10,601,721  |
| To outside customers                                      | 9,072,227                                 | 1,238,185                                      | 214,288                                | 10,524,701 | 77,019                    | 10,601,721  |
| Intersegment sales and transfers                          | -   | -  | -                                      | -          | -                         | -   |
| Total   | 9,072,227                                 | 1,238,185                                      | 214,288                                | 10,524,701 | 77,019                    | 10,601,721  |
| Segment income (loss)                                     | 1,019,121                                 | 49,914   | (7,660)                                | 1,061,374  | 8,912                     | 1,070,287   |

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

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

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

None applicable.

3. Items regarding the change in the reporting segments

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