



Summary of Consolidated Financial Results for the Third Quarter Ended December 31, 2024 [Japanese GAAP]

February 14, 2025

Name of Listed Company: CAREERLINK CO., LTD.

Stock Listing: TSE

Code Number: 6070

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

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

(Name) Motoaki Narusawa

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

(Name) Hiroyoshi Fujieda

Phone: +81-(0)3-6311-7321

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 Third Quarter of the Fiscal Year Ending March 31, 2025 (April 1, 2024 to December 31, 2024)

(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	%
Nine months ended December 31, 2024	30,552	(6.8)	1,949	(9.0)	1,952	(9.0)	1,315	(6.8)
Nine months ended December 31, 2023	32,796	(11.9)	2,141	(61.2)	2,144	(61.4)	1,411	(63.0)

(Note) Comprehensive income: 3Q FY 3/2025: ¥1,335 million [(7.8)%] 3Q FY 3/2024: ¥1,448 million [(62.2)%]

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2024	110.85	109.92
Nine months ended December 31, 2023	118.97	118.06

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	19,579	14,396	72.8
As of March 31, 2024	21,209	14,475	67.6

(Reference) Equity capital: 3Q FY 3/2025: ¥14,245 million FY 3/2024: ¥14,334 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, 2024	-	0.00	-	120.00	120.00
Year ending March 31, 2025	-	0.00	-		
Year ending March 31, 2025 (Forecast)				120.00	120.00

(Note) Revision of forecast for dividends recently announced: No

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(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
Full year	40,330	(7.9)	2,585	(21.2)	2,580	(21.4)	1,750	(20.5)	147.42

(Note) Revision of forecast for consolidated financial results recently announced: Yes

For the revision of the forecast for consolidated financial results, please see the "Notice Concerning Revisions to Full-Year Results Forecast" announced today, February 14, 2025.

*** Notes**

- (1) Significant changes in the scope of consolidation 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: None
 - 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 issued shares (common stock)

1) Number of issued shares (including treasury shares) at end of term	As of December 31, 2024	12,600,700 shares	As of March 31, 2024	12,596,200 shares
2) Number of treasury shares at end of term	As of December 31, 2024	729,016 shares	As of March 31, 2024	729,013 shares
3) Average number of outstanding shares during the period (during the first three quarters)	Nine months ended December 31, 2024	11,870,165 shares	Nine months ended December 31, 2023	11,865,407 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or audit firms: None

* Cautionary statement regarding forecasts of operating results and special notes

(Notes to the forward-looking statements, and others)

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 promises 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 “1. Results of Operations (3) Explanation Regarding Future Forecast Information Including Forecast of Consolidated Financial Results” on page 4.

(To receive supplementary materials for financial results)

Supplementary materials for financial results will be posted promptly on the Company’s website after the disclosure.

Table of contents of the appendix

1. Results of Operations	2
(1) Overview of Financial Results.....	2
(2) Overview of Financial Position	4
(3) Explanation Regarding Future Forecast Information Including Forecast of Consolidated Financial Results.....	4
2. Consolidated Financial Statements and Notes	5
(1) Consolidated Balance Sheets	5
(2) Consolidated Statements of Income and Statements of Comprehensive Income.....	6
(3) Notes to Consolidated Financial Statements.....	8
(Notes on Segment Information)	8
(Notes on Significant Changes in Shareholders' Equity).....	9
(Notes Relating to Going Concern Assumption)	9
(Notes Relating to Statements of Cash Flows)	9

1. Results of Operations

(1) Overview of Financial Results

In the first three quarters of the term ending March 31, 2025, the Japanese economy was in the process of moderate recovery. Consumer spending remained on a recovery track as real wages continued to rise, as a result of a sustained rise in nominal wages due to companies raising regular salaries and bonuses and the largest-ever increase in the minimum wage effective from October 2024, combined with a slowdown of inflation. Investments in intellectual property including for digitalization, research and development also increased as business confidence among companies continued to improve, who continued to show a strong appetite for capital investment for decarbonization and efforts to strengthen supply chains, among others.

Meanwhile, the global economy remained firm as consumer spending recovered in the U.S. and Europe as a result of an increase in real wages against a backdrop of continued interest rate cuts in response to the slowdown of inflation. However, the outlook remained unclear, with the Chinese economy being still slow to recover, the likelihood of major policy changes in the United States upon the incoming of the new administration in January 2025, including the introduction of additional tariffs, which will cause a substantial impact on the global economy including Japan, and the likelihood of wavering policies and government changes in France, Germany, and other countries in Europe.

In this climate, the Japanese human resource service industry operated in an environment where companies showed a sustained appetite for hiring more workers as consumer spending regained momentum as a result of a sustained real wage growth driven by a nominal wage rise and the slowing of inflation, the former due to companies raising regular salaries and other wages against the backdrop of manpower shortage apparently worse than before the COVID-19 pandemic as well as a minimum wage increase, in addition to government measures including a flat-amount tax cut. Business confidence among companies also continued to improve, and they continued to show strong appetite for capital investments.

In this business environment, the Group continued its aggressive efforts to promote its businesses, primarily the business process outsourcing (BPO)-related business, its mainstay.

In the BPO-related business, we continued to work toward developing new transactions with local governments we had never done business with and expanding the area of the business, while working to win more orders in our existing business areas primarily for projects related to economic measures. However, in the first two quarters, we failed to obtain orders for projects we had expected to win at the beginning of the term and opted not to bid for projects unlikely to result in the anticipated gross profit. Also, in projects related to economic measures which we expected at the beginning of the term would bring orders mainly in the third quarter, we received less orders than expected in some or no orders in others. In the customer relationship management (CRM)-related business, we also worked hard to develop new projects, but were unable to offset the reduction in orders caused by the completion or decreased scale of projects that had operated in the previous fiscal year, such as projects for the dispatch of workers at large-scale call centers. As a result of these and other developments, the Group's net sales for the three quarters ended December 31, 2024 decreased by 2,244,281 thousand yen (down 6.8%) year on year to 30,552,365 thousand yen.

In terms of profit, we continued to make efforts to lower the cost of sales by pursuing higher operational efficiency while improving quality and to reduce and efficiently manage selling, general and administrative expenses such as expenses for outsourcing of business, increasing registered staff workers, and recruiting new staff. However, the decline in sales caused a substantial impact on profit, and operating profit decreased by 192,549 thousand yen (down 9.0%) to 1,949,124 thousand yen, ordinary profit decreased by 192,181 thousand yen (down 9.0%) to 1,952,317 thousand yen, and profit attributable to owners of parent decreased by 95,767 thousand yen (down 6.8%) to 1,315,814 thousand yen, on a year-on-year basis.

(Clerical human resource services)

In the BPO-related business section, we proactively worked to develop new local government clients and expand the scope of business centered on counter operations at local governments primarily in the Tokyo metropolitan area, the Tokai region and the Kyushu region, and in the existing operation areas, to increase orders for projects related to economic measures. Nevertheless, we were unable to offset negative impacts such as the completion of some projects related to welfare services that had operated in the previous fiscal year and the decreased scale of social security and tax number projects. In respect to transactions with private enterprises, orders remained strong as seen in the winning of projects of leading BPO operators involving central government agencies and large-scale projects involving private enterprises for which we had received orders in the previous fiscal year. In the CRM-related business section, we failed to secure the volume of orders that was needed to

offset the negative impact of the reduction in the scale of projects won in the previous fiscal year for the dispatch of workers at large-scale call centers and financial institutions, despite winning multiple new medium-scale projects for the dispatch of workers at call centers in the Tokyo metropolitan area, as well as at local branch offices including Sapporo and Osaka. In the office services section, on the other hand, orders remained strong thanks to a steady increase of orders for new projects from local governments and associated public corporations and a solid stream of orders for projects from existing clients for dispatching office workers to financial institutions. As a result of these developments, net sales of this business for first three quarters of the term ending March 31, 2025 decreased by 2,791,419 thousand yen (down 10.1%) year on year to 24,749,568 thousand yen. In terms of profit, we strived to lower the cost of sales by raising operational efficiency in the existing business areas, mainly in the BPO-related business section, and to reduce and efficiently manage selling, general and administrative expenses such as expenses for outsourcing of business, but failed to offset the decrease in profit due to the decrease in sales. We also invested proactively for building organizations for business areas in which we received new orders. As a result of these, operating profit decreased by 205,976 thousand yen (down 10.8%) year on year to 1,707,461 thousand yen.

(a) Business process outsourcing

In this section, we proactively worked to develop new local government clients focusing on projects related to economic measures, and to expand the area of the business focusing on counter operations at local governments and projects with long-term contracts for highly specialized operations, such as those related to various screening processes and general affairs operations, in the Tokyo and Kinki metropolitan areas and the Tokai and Kyushu regions. These efforts led to starting transactions with nine new local government clients, resulting in doing business with 186 local governments, including existing clients. With regard to transactions with private enterprises, we benefitted from a steady stream of orders from leading BPO operators for new projects involving central government agencies and an increase in orders for large-scale projects involving private enterprises for which we had received orders in the previous fiscal year. However, we also encountered the completion or decreased scale of large-scale projects that had operated in the previous fiscal year involving local governments and private enterprises, along with decreased orders for social security and tax number projects as operations to deal with new applications peaked out nationwide. As a result, net sales of this section for the first three quarters of the term ending March 31, 2025 decreased by 2,015,595 thousand yen (down 9.9%) year on year to 18,273,462 thousand yen.

(b) Customer relationship management

In this section, our local branch offices in Sapporo, Sendai, Osaka and Fukuoka successfully expanded transactions with existing clients, most notably by acquiring orders from leading telemarketing operators, which are existing clients, for several new medium-scale call center projects. On the other hand, we saw the completion or decreased scale of projects ordered in the previous fiscal year—namely, large-scale call center projects ordered by existing clients in the Tokyo metropolitan area and at local branch offices in Osaka and Okinawa, and short-term projects ordered by financial institutions. As a result, net sales of this section for the first three quarters of the term ending March 31, 2025 decreased by 940,085 thousand yen (down 28.5%) year on year to 2,356,728 thousand yen.

(c) Office services

In this section, we faced a decline in orders, dragged down by the completion or decreased scale of social security and tax number projects for local governments, as operations to deal with new applications peaked out nationwide, and of short-term projects for financial institutions which were in operation in the previous fiscal year. At the same time, we enjoyed a steady stream of orders from local governments primarily for projects related to economic measures in the Tokyo and Kinki metropolitan areas. We also benefitted from the development of new transactions in broad business areas with public corporations associated with local governments as well as from increased orders for clerical projects related to new NISA from financial institutions. As a result of these and other developments, net sales of this section for the first three quarters of the term ending March 31, 2025 increased by 164,261 thousand yen (up 4.2%) year on year to 4,119,378 thousand yen.

(Manufacturing human resource services)

In the food processing category, whereas orders from some clients declined due in part to a shift from relying on dispatched workers to hiring workers on their own, orders remained steady from existing clients, especially companies processing meat

or manufacturing delicatessen, seasoning, or canned products. In the manufacturing and processing category, although orders from some automotive-related clients decreased owing to production adjustment, we saw a continued steady increase in orders from existing clients in the housing equipment manufacturing, plant manufacturing, machinery manufacturing, and other industries, as well as an increase thanks to orders from new clients in the cosmetic, metalworking and other industries. As a result of these and other developments, net sales of this business in the first three quarters of the term ending March 31, 2025 increased by 548,209 thousand yen (up 10.9%) year on year to 5,586,563 thousand yen. In terms of profit, we worked proactively to build an organization for future business expansion, including staff increase during the third quarter of the term under review. As a result of these and other efforts, operating profit increased by 17,404 thousand yen (up 8.9%) year on year to 212,697 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 in the first three quarters of the term ending March 31, 2025 decreased by 1,071 thousand yen (down 0.5%) year on year to 216,232 thousand yen. Operating profit decreased by 3,977 thousand yen (down 12.1%) year on year to 28,964 thousand yen, due mainly to the implementation of initiatives such as strengthening personnel in response to the upper limits of overtime that came into effect on April 1, 2024.

(2) Overview of Financial Position

(Assets)

Total assets at the end of the first three quarters of the term ending March 31, 2025 were 19,579,792 thousand yen, down 1,630,154 thousand yen from the end of the previous fiscal year. This was due mainly to decreases of 1,130,098 thousand yen in “Notes and accounts receivable - trade, and contract assets” and of 256,540 thousand yen in “Other” of current assets including prepaid expenses.

(Liabilities)

Total liabilities at the end of the first three quarters of the term ending March 31, 2025 were 5,183,327 thousand yen, down 1,550,865 thousand yen from the end of the previous fiscal year. This was due mainly to decreases of 969,779 thousand yen in “Other” of current liabilities including accrued consumption taxes and accrued expenses, of 260,538 thousand yen in “Accounts payable - other,” and of 193,134 thousand yen in “Long-term borrowings.”

(Net assets)

Total net assets at the end of the first three quarters of the term ending March 31, 2025 were 14,396,464 thousand yen, down 79,289 thousand yen from the end of the previous fiscal year. This was due mainly to a decrease of 108,247 thousand yen in “Retained earnings” (up 1,315,814 thousand yen due to “Profit attributable to owners of parent” and down 1,424,062 thousand yen due to the payment of dividends).

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

For the forecast for the consolidated financial results for the fiscal year ending March 31, 2025, please refer to the “Notice Concerning Revisions to Full-Year Results Forecasts” announced today, February 14, 2025

2. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Unit: Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	9,928,521	9,925,364
Notes and accounts receivable - trade, and contract assets	8,620,110	7,490,012
Inventories	18,463	32,584
Other	847,033	590,493
Allowance for doubtful accounts	(3,013)	(4,938)
Total current assets	19,411,115	18,033,517
Non-current assets		
Property, plant and equipment	356,312	332,710
Intangible assets	325,375	238,012
Investments and other assets		
Other	1,120,480	981,865
Allowance for doubtful accounts	(3,337)	(6,313)
Total investments and other assets	1,117,143	975,551
Total non-current assets	1,798,831	1,546,274
Total assets	21,209,946	19,579,792
Liabilities		
Current liabilities		
Short-term borrowings	36,000	90,000
Current portion of bonds payable	20,000	10,000
Current portion of long-term borrowings	339,872	277,952
Accounts payable - other	2,964,789	2,704,251
Income taxes payable	99,007	147,230
Provision for bonuses	318,909	145,767
Asset retirement obligations	1,085	–
Other	2,086,033	1,116,253
Total current liabilities	5,865,695	4,491,455
Non-current liabilities		
Long-term borrowings	653,164	460,030
Retirement benefit liability	314	28
Asset retirement obligations	158,829	167,655
Other	56,189	64,158
Total non-current liabilities	868,497	691,872
Total liabilities	6,734,193	5,183,327
Net assets		
Shareholders' equity		
Share capital	405,967	412,348
Capital surplus	247,261	253,642
Retained earnings	14,085,010	13,976,762
Treasury shares	(443,764)	(443,771)
Total shareholders' equity	14,294,474	14,198,981
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	40,173	46,532
Total accumulated other comprehensive income	40,173	46,532
Share acquisition rights	59,720	56,120
Non-controlling interests	81,384	94,829
Total net assets	14,475,753	14,396,464
Total liabilities and net assets	21,209,946	19,579,792

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

Consolidated Statements of Income

For the first three quarters

(Unit: Thousands of yen)

	Nine months ended December 31, 2023 (April 1, 2023 - December 31, 2023)	Nine months ended December 31, 2024 (April 1, 2024 - December 31, 2024)
Net sales	32,796,646	30,552,365
Cost of sales	26,179,022	24,455,639
Gross profit	6,617,624	6,096,726
Selling, general and administrative expenses	4,475,951	4,147,602
Operating profit	2,141,673	1,949,124
Non-operating income		
Interest income	103	1,021
Dividend income	1,388	1,427
Subsidy income	4,793	–
Compensation for forced relocation	4,990	1,750
Interest on tax refund	–	1,997
Other	2,532	1,871
Total non-operating income	13,807	8,069
Non-operating expenses		
Interest expenses	3,713	4,804
Loss on termination of ESOP trust	5,541	–
Other	1,727	72
Total non-operating expenses	10,981	4,876
Ordinary profit	2,144,499	1,952,317
Profit before income taxes	2,144,499	1,952,317
Income taxes - current	477,141	555,598
Income taxes - deferred	243,210	67,459
Total income taxes	720,351	623,057
Profit	1,424,147	1,329,259
Profit attributable to non-controlling interests	12,564	13,445
Profit attributable to owners of parent	1,411,582	1,315,814

Consolidated Statements of Comprehensive Income
For the first three quarters

(Unit: Thousands of yen)

	Nine months ended December 31, 2023 (April 1, 2023 - December 31, 2023)	Nine months ended December 31, 2024 (April 1, 2024 - December 31, 2024)
Profit	1,424,147	1,329,259
Other comprehensive income		
Valuation difference on available-for-sale securities	24,134	6,359
Total other comprehensive income	24,134	6,359
Comprehensive income	1,448,282	1,335,619
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,435,717	1,322,174
Comprehensive income attributable to non-controlling interests	12,564	13,445

(3) Notes to Consolidated Financial Statements

(Notes on Segment Information)

[Segment information]

I For the first three quarters ended December 31, 2023 (April 1, 2023 – December 31, 2023)

1. Information about sales and income (loss) by reporting segment and information on breakdown of revenues

(Unit: Thousands of yen)

	Reporting segments			Other ^(Note 1)	Amount on the consolidated statement of income ^(Note 2)
	Clerical human resource services business	Manufacturing human resource services business	Total		
Net sales					
Dispatch of workers	12,974,609	5,013,094	17,987,704	—	17,987,704
Undertaking of tasks	14,503,474	—	14,503,474	217,304	14,720,779
Dispatch of workers to be employed as full-time employees	22,496	3,097	25,593	—	25,593
Introduction of workers	40,407	22,162	62,569	—	62,569
Revenues from contracts with customers	27,540,988	5,038,354	32,579,342	217,304	32,796,646
To outside customers	27,540,988	5,038,354	32,579,342	217,304	32,796,646
Intersegment sales and transfers	—	—	—	—	—
Total	27,540,988	5,038,354	32,579,342	217,304	32,796,646
Segment income	1,913,438	195,292	2,108,730	32,942	2,141,673

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

2. The segment income matches operating profit on the consolidated statement of income.

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

None applicable.

II For the first three quarters ended December 31, 2024 (April 1, 2024 – December 31, 2024)

1. Information about sales and income (loss) by reporting segment and information on breakdown of revenues

(Unit: Thousands of yen)

	Reporting segments			Other ^(Note 1)	Amount on the consolidated statement of income ^(Note 2)
	Clerical human resource services business	Manufacturing human resource services business	Total		
Net sales					
Dispatch of workers	12,534,806	5,536,206	18,071,013	—	18,071,013
Undertaking of tasks	12,134,428	4,961	12,139,389	216,232	12,355,621
Dispatch of workers to be employed as full-time employees	19,137	—	19,137	—	19,137
Introduction of workers	61,196	45,395	106,592	—	106,592
Revenues from contracts with customers	24,749,568	5,586,563	30,336,132	216,232	30,552,365
To outside customers	24,749,568	5,586,563	30,336,132	216,232	30,552,365
Intersegment sales and transfers	—	—	—	—	—
Total	24,749,568	5,586,563	30,336,132	216,232	30,552,365
Segment income	1,707,461	212,697	1,920,159	28,964	1,949,124

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

2. The segment income matches operating profit on the consolidated statement of income.

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

None applicable.

(Notes on Significant Changes in Shareholders' Equity)

None applicable

(Notes Relating to Going Concern Assumption)

None applicable

(Notes Relating to Statements of Cash Flows)

The Company has not prepared quarterly consolidated Statements of Cash Flows for the first three quarters ended December 31, 2024. Depreciation (including amortization related to intangible assets) for the first three quarters ended December 31, 2023 and 2024 was as follows

	First three quarters ended December 31, 2023 (April 1, 2023 – December 31, 2023)	First three quarters ended December 31, 2024 (April 1, 2024 – December 31, 2024)
Depreciation	165,928 Thousand yen	180,412 Thousand yen