



Financial Results for the Nine Months of FY3/24

Careerlink Co., Ltd. (6070)



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Performance for the Nine Months of FY3/24 is progressing almost as planned

- Net sales in the first three quarters of the term ending March 31, 2024 was 32.7billion yen. In our core business related to business process outsourcing, the Group actively promoted the sales activities, as well as efforts to develop business with local governments that had not done business with us before, focusing on the Tokyo metropolitan area, Keihanshin area, and Kyushu region, in addition to social security and tax number projects and benefit payment projects.
- However, we unable to win some BPO contract projects for local governments. The scale of orders placement for social security and tax number projects was lower than envisaged in addition, services of the projects related to responses to legislative revisions, for which we had anticipated receiving orders, were unlikely to commence this fiscal year. As a result, we were unable to obtain the level of orders we had anticipated at the beginning of the term ending March 31, 2024. Whereas, in the manufacturing human resource services business, the recovery in personal consumption led to continuous strong orders in the food processing category.
- In terms of profit, operating profit was 2.1billion yen. This was a result of our inability in addition to the impact of decreased sales we actively recruited highly specialized personnel in areas such as business construction and information systems to boost competitiveness.

(Unit: Millions of yen)

Performance for the Nine Months of FY3/24	9 Months of FY 3/23 (Apr.-Dec.)	9 Months of FY 3/24 (Apr.-Dec.)	Y/y Change	
Consolidated	Net sales	37,225 (100%)	32,796 (100%)	88.1%
	Operating profit	5,525 (14.8%)	2,141 (6.5%)	38.8%
	Ordinary profit	5,552 (14.9%)	2,144 (6.5%)	38.6%
	Profit attributable to owners of parent	3,818 (10.3%)	1,411 (4.3%)	37.0%

Highlight of Performance for the Nine Months of FY3/24



(Unit: Millions of yen)

Performance for the Nine Months of FY3/24 Each segment		9 Months of FY3/23 (Apr.-Dec.)	9 Months of FY3/24 (Apr.-Dec.)	Y/y Change
Clerical human resources	Net sales	32,889	27,540	83.7%
	Segment profit	5,313 (16.2%)	1,913 (6.9%)	36.0%
Manufacturing human resources	Net sales	4,112	5,038	122.5%
	Segment profit	187 (4.6%)	195 (3.9%)	104.1%
Other	Net sales	223	217	97.0%
	Segment profit	24 (10.9%)	32 (15.2%)	134.5%

* We integrated the sales human resources service business into the BPO-related business segment in the clerical human resources service business as of the first three months of FY3/24.

For year-on-year comparability, figures from the Nine Months of FY3/23 include those for the clerical human resources service business as well as the sales human resources service business.

BPO-related business segment

- This section received robust levels of orders for sales support and payroll services operations, in addition to large projects orders from leading BPO business operators.
- Steady orders for social security and tax number projects compared with the corresponding period of the previous fiscal year, but the scale of orders received fell short of expectations.
- Whereas we had expected “proposal-based competitive tenders” (project competition formula) for some BPO contract projects for local governments, the adoption of “general competitive tenders” (price competition formula) for those projects meant that we were unable to achieve the level of orders that we had envisaged. This also resulted in lower winning bid prices. In addition, services of the projects related to responses to legislative revisions were unlikely to commence this fiscal year.

CRM-related business segment

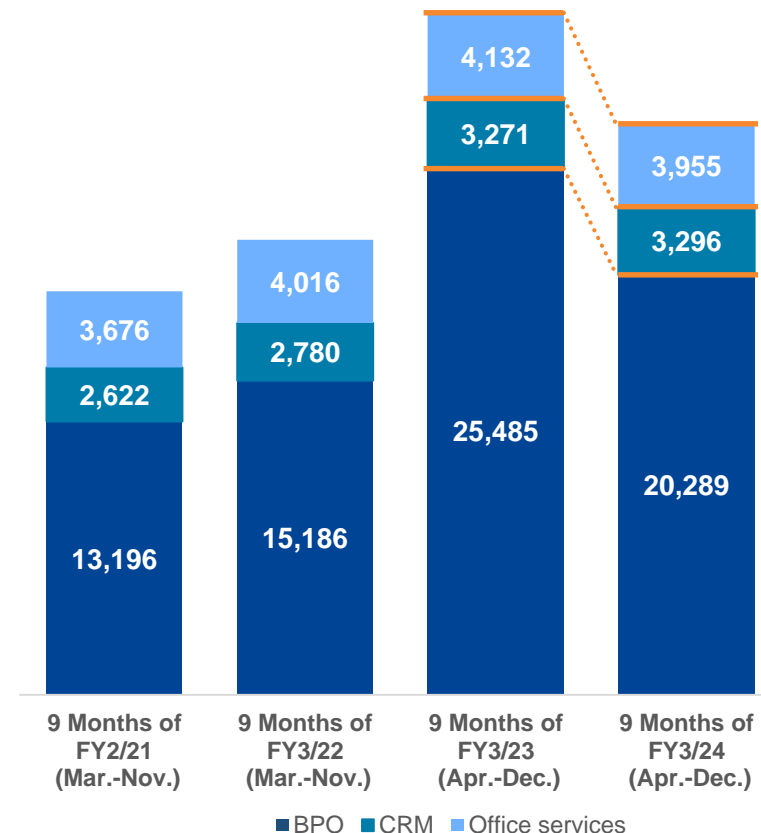
- We successfully received orders for large new projects in the Tokyo metropolitan area and a steady stream of orders from existing clients at regional branches such as Sendai and Fukuoka, as well as from financial institutions.
- Whereas projects ordered from leading BPO business operators were scaled down or completed.

Office services business segment

- A steady stream of orders for new projects related to social security and tax number from local governments and orders from leading BPO business operators received by regional branches.
- Whereas decreases in the scale of spot transactions with local governments received in the previous fiscal year and existing projects for financial institutions.

Variation and breakdown in net sales of clerical human resources service

(Unit: Millions of yen)



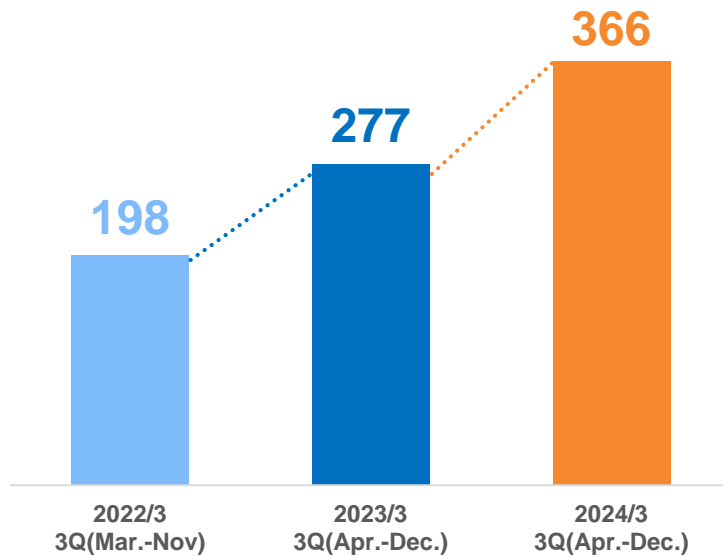
* The Accounting Standard for Revenue Recognition has been applied since the first three months of FY3/23. Also, we integrated the sales human resources service business into the BPO-related business segment in the clerical human resources service business as of the first three months of FY3/24. For year-on-year comparability, net sales for the BPO-related business in the Nine Months of FY3/23 and before include those for the sales human resources service business.

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

- As a result of recruiting highly specialized personnel in areas such as business construction and information systems to strengthen the competitiveness of BPO projects, the number of core personnel enrolled averaged 366 for the nine months of FY3/24.
- The number of BPO projects was 151 in the nine months of FY3/24, remaining steady.

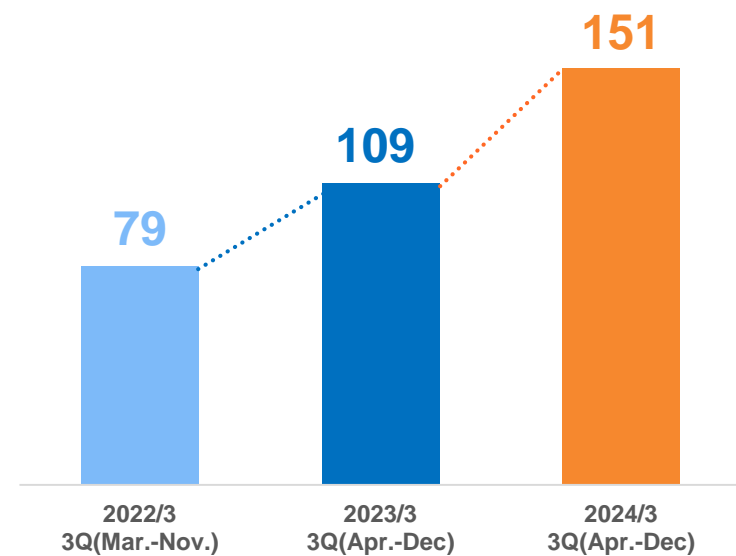
Variation in the number of core personnel

(Unit: People)



Variation in the number of BPO projects

(Unit: Projects)



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

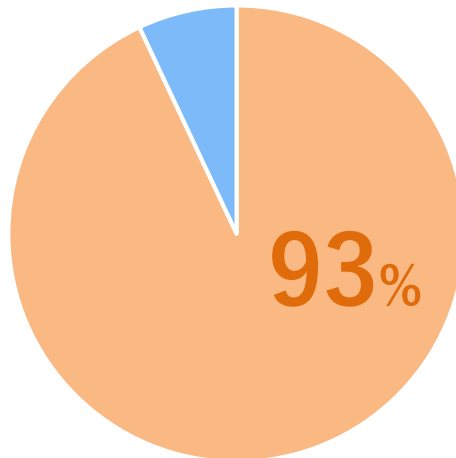
Our rate of repeat transactions remains high at about 93%

- From the previous term to the current, a high repeat rate was seen for continuous transactions with local governments.

Spot sales ratio showed a large decline from the previous term of 27%

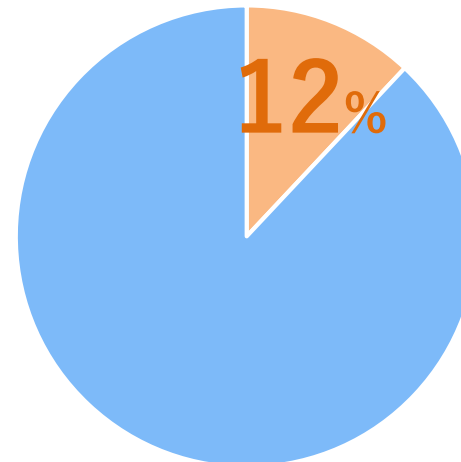
- In the previous term, there was an increase in the spot sales ratio due to the reception of orders for temporary large-scale projects, which were mainly welfare-related projects. However, the nine months of this term year saw fewer spot projects in the market compared to typical years.

Repeat rate of client local government



* Against local governments we worked for in FY3/23, the ratio of local governments we worked for in the nine months of FY3/24

Spot sales ratio



* Mid-term result for the nine months of FY3/24
* Company estimates based on order trends by customer



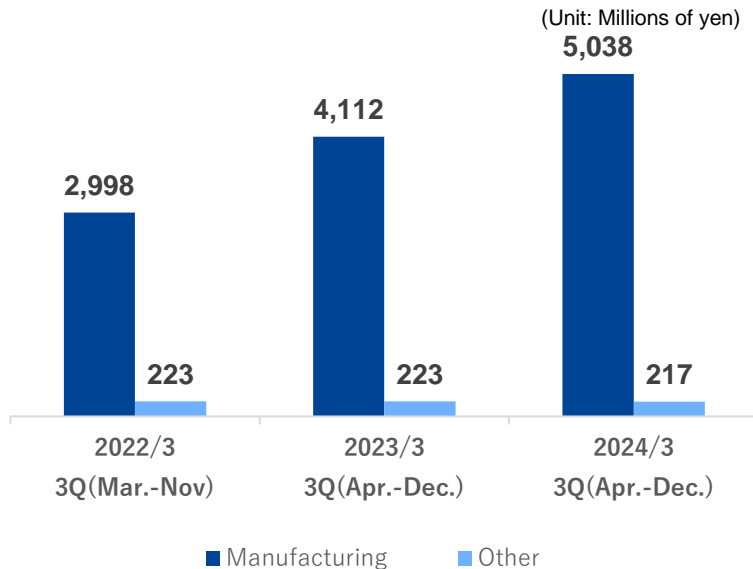
Manufacturing human resources service business saw increased sales and profit

- In the food processing category, we received a steady stream of orders for ready-made side dishes and frozen foods manufacturing, etc., in addition to favorable volume of orders for marine products, meat, and confectionery manufacturing, etc. primarily partly due to seasonal factors such as year-end and new year. In the manufacturing and processing category, although volume of orders increased for housing equipment manufacturing, machinery manufacturing, etc., the volume of orders decreased for transport machinery manufacturing, electrical equipment manufacturing, chemical manufacturing, etc.
- Profits increased due to our efforts to actively recruit new staff and manage expenses more efficiently.

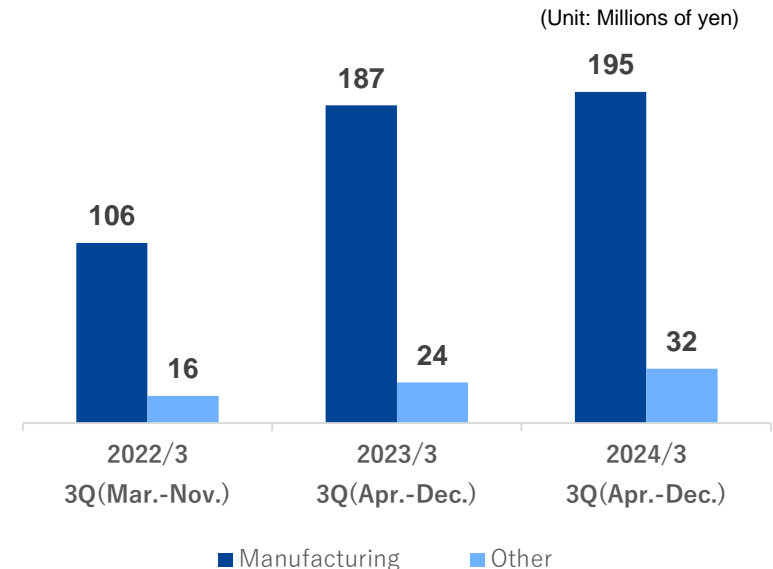
Other services saw decreased sales and increased profit

- The automobile management business reported a decrease in sales, but an increase in profits due to a reduction in selling, general and administrative expenses.

Variation in **net sales** of manufacturing human resources services and other services



Variation in segment **profits** of manufacturing human resources services and other services



* We have integrated the sales human resources service business into the BPO-related business segment in the clerical human resources service business as of the first three months of FY3/24.

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Full-Year Earnings forecasts for FY3/24, announced November 2, 2023, remain unchanged

- Full-Year Earnings forecasts for FY3/24 announced November 2, 2023, is unchanged.
- We regard the fourth quarter of FY3/24 as an important period for our growth strategy for the next fiscal year and beyond, and we will continue making the necessary investments to enhance competitiveness and reallocate core personnel in order to strengthen our competitiveness and brushed-up by reviewing our service lineup.

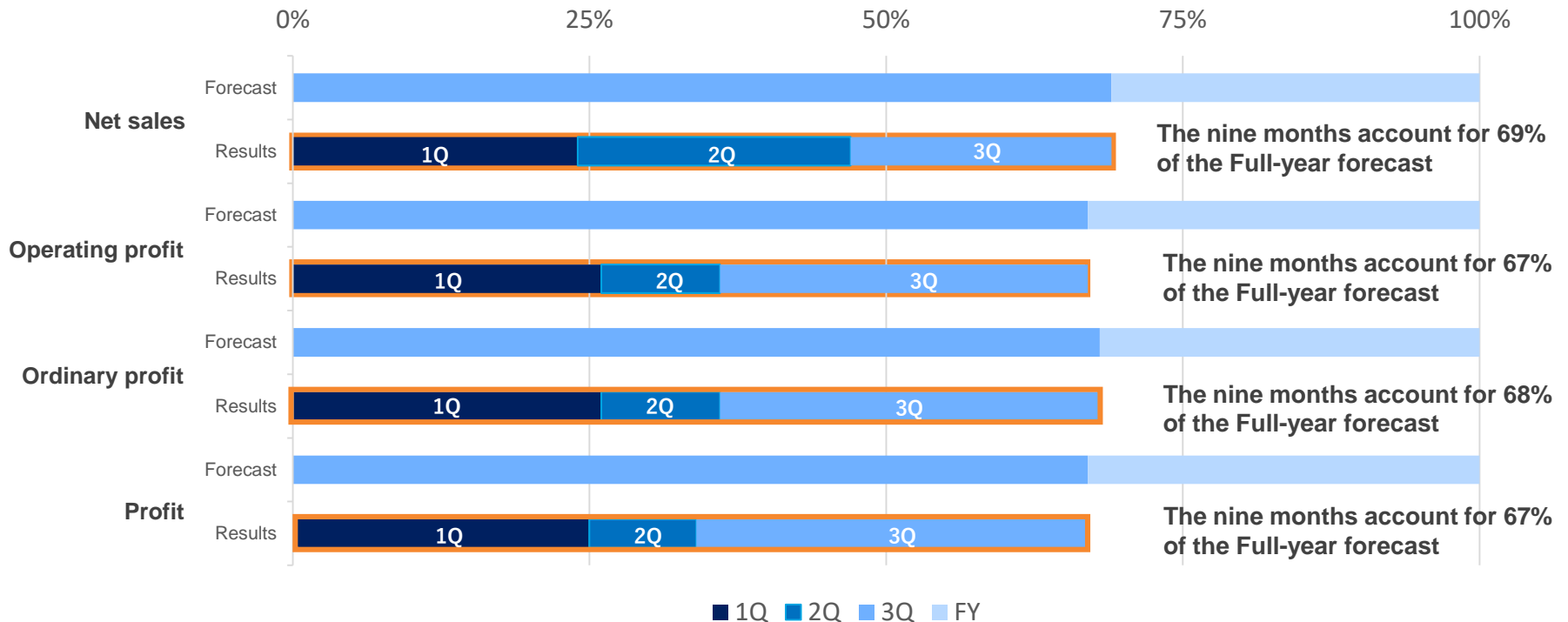
(Unit: Millions of yen)

Full-year	Results for the 9 Months (Apr.-Dec.) of FY3/24	Full-year Forecast for FY3/24	Progress rates toward the Full-year Forecast	
Consolidated	Net sales	32,796	47,705	68.7%
	Operating profit	2,141	3,175	67.4%
	Ordinary profit	2,144	3,177	67.5%
	Profit attributable to owners of parent	1,411	2,122	66.5%
Sales in each segment	Clerical human resources service business	27,540	40,645	67.8%
	Manufacturing human resources service business	5,038	6,780	74.3%
	Other service	217	280	77.5%

Progress rates toward the Full-year earnings forecast as of the end of the Nine Months of FY3/24

- The progress rates toward the Full-year forecast for operating profit, which was announced on November 2, 2023, is 67% as of the end of the third quarter.

Progress toward the Full-year earnings forecast





Progress against the example of net sales in the BPO-related business segment in the medium-term profit plan posted on page 33 of the financial Results for the First Half of FY3/24

		Local governments (a)			Private companies (b)			Overview of BPO sales (a) + (b)	
(Unit: Millions of yen)		Unit price	Number of local government projects	Multiple project indicator	Total BPO sales	Unit price	Number of projects	Total BPO sales	Ratio of local government sales to BPO sales
Annual plan	FY3/24	145 ^{*1}	84 ^{*2}	1.5 ^{*3}	18,148	204 ^{*4}	60 ^{*5}	12,228	30,376 60%
	FY3/25	122	98	1.9	22,191	206	60	12,396	34,587 64%
	FY3/26	107	111	2.3	27,189	207	60	12,426	39,615 69%
Results	Progress of the nine months of FY3/24	133	67	1.3	11,963	135	61	8,325	20,289 59%

- Progress as a percentage of BPO sales was 65.9% for local governments and 68.1% for private companies.
- Unit price trended at 91.7% for local governments and 66.2% for private companies. The number of projects was 79.8% for local governments and 101.7% for private companies relative to the annual plan.
- The multiple project indicator for local governments remained at 1.3 times, as planned.

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

*2: Forecast of the number of local governments in a single fiscal year (≧ < (expected number of local governments with which we had transactions in the previous term x repeat rate of 90%) + expected increase in number of local governments > x (1 - spot ratio))

*3: Forecasted multiple project multiplier

*4: Estimate for average contract amount of BPO projects for private companies (Reference: Average contract amount excluding spot transactions in FY3/23: 222 million yen)

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

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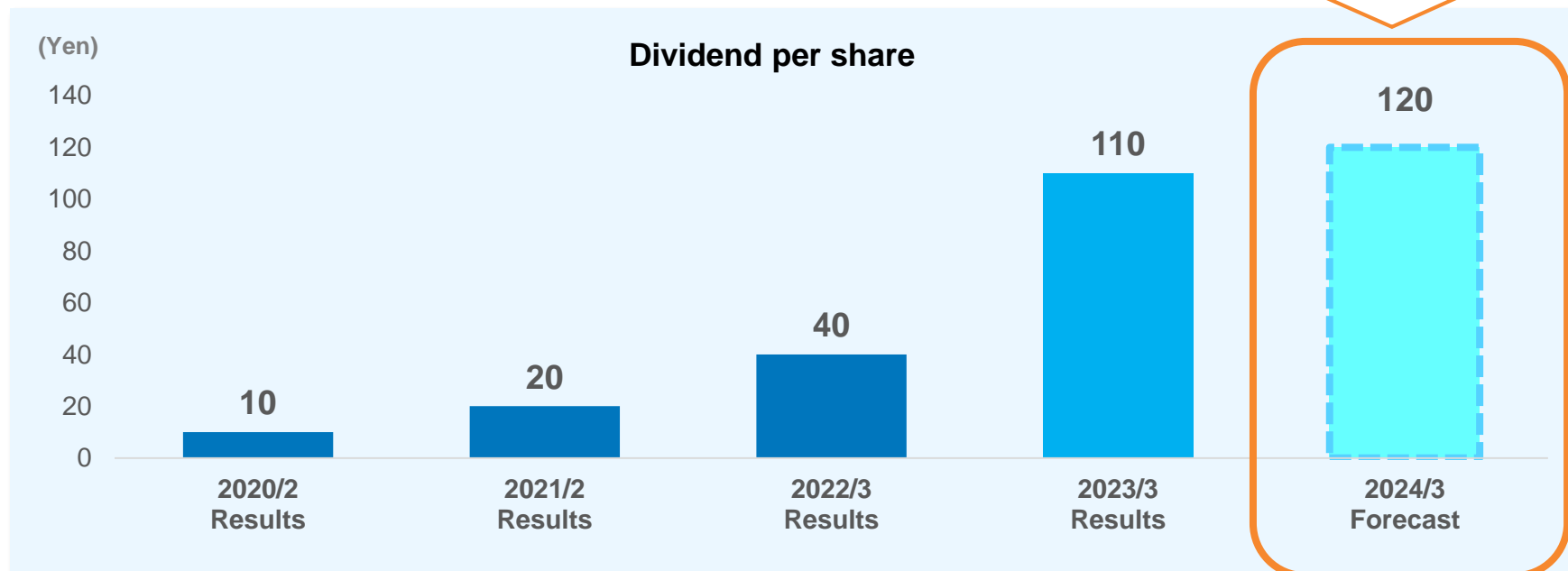
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Based on the fundamental policy of stable dividends, we anticipate a year-end dividend of 120 yen per share for FY3/24

- The Company's basic policy is to **continue to pay appropriate and stable dividends** based on a comprehensive assessment of business performance and overall management, while securing the internal reserves necessary for business development for sustainable growth and strengthening the management base.
- We revised our performance forecast downward; however, the expected year-end dividend for FY3/24 remains unchanged at 120 yen (with an expected dividend payout ratio of 67.1%).
- In our medium-term plan outlined in this document, we anticipate securing a baseline profit, thus intending to maintain the dividend **at 120 yen throughout the period of the medium-term profit plan.**

We anticipate sustaining the forecast on dividends due to the expected continued growth even in the upcoming periods.



Shareholder Return (Shareholder Benefits)

To give Quo Cards according to the number of shares held and the number of years of shareholding

We present Quo Cards as shareholder benefits to shareholders who hold 1 trading lot (100 shares) or more as of September 30 once every year.



Number of shares held	Held for less than 3 years	Held continuously for 3 years or longer
100-199 shares	Quo Card (worth 500 yen)	Quo Card (worth 500 yen)
200-299 shares	Quo Card (worth 1,000 yen)	Quo Card (worth 2,000 yen)
300-399 shares	Quo Card (worth 1,000 yen)	Quo Card (worth 3,000 yen)
400-499 shares	Quo Card (worth 1,000 yen)	Quo Card (worth 4,000 yen)
500 shares or over	Quo Card (worth 2,000 yen)	Quo Card (worth 5,000 yen)

Benefits of long-term holding

* The number of shares held for the shareholder benefit program shall be determined based on the Company's shareholder register as of the record date (September 30) of each year.

** "Held continuously for 3 years or longer" means that a shareholder has held the above number of shares for 3 or more years (as of record date (September 30), the same shareholder number is listed or recorded in the Company's shareholder register for 7 consecutive times or more on each of March 31 and September 30 every year).

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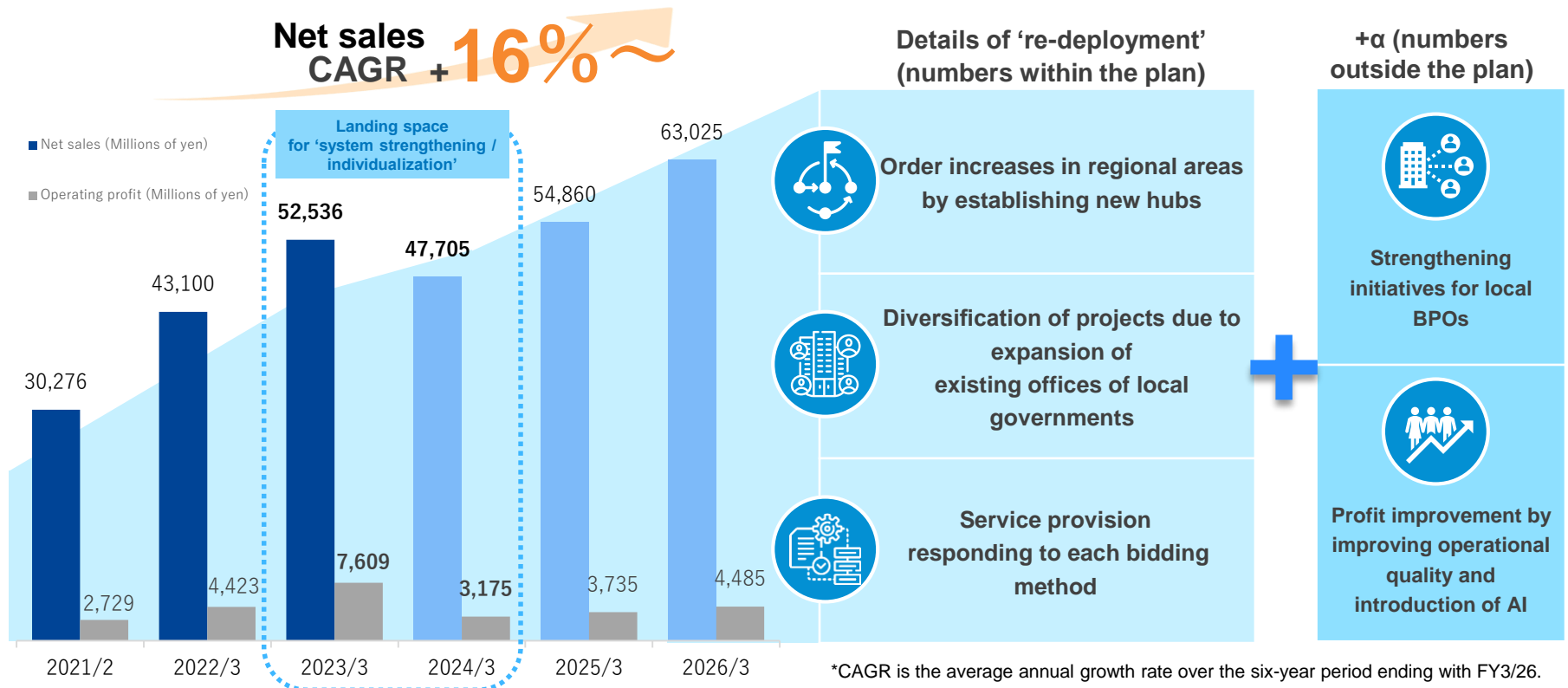
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Growth will be maintained despite the downward revision to the medium-term profit plan

- Medium-Term Profit Plan announced November 2, 2023, is unchanged.
- We aim to "re-deploy" the talent resources and BPO operational knowledge that we have actively pooled **across a wide range of fields and regions**. In the medium-term profit plan announced in May 2023, the scheduled "re-deployment" initially planned to implement in FY3/25 has been brought forward. It will now commence from the latter part of the first half of FY3/24 and promote the medium-term profit plan.
- We aim to advance initiatives of "re-deployment" along with additional strategies during the period for the medium-term plan, aspiring to reach greater heights in the medium to long term.



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

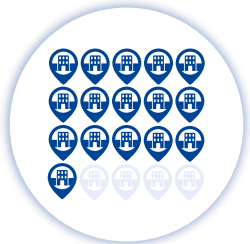
- We will increase the number of local governments with which we have transactions and the size of those transactions and maintain them by promoting the wide-area deployment of BPO in local governments and acquisition of multiple projects.
- We will promote strengthening of quality control, recruitment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

Number of municipalities with which we have transactions* (Prefectures/municipalities)

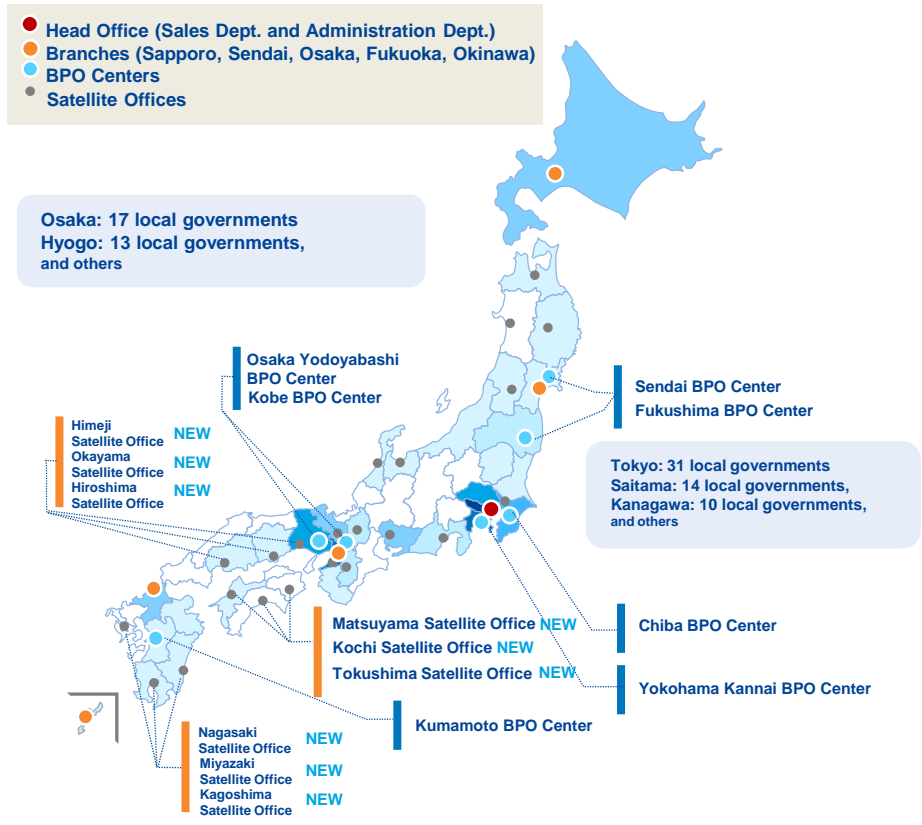
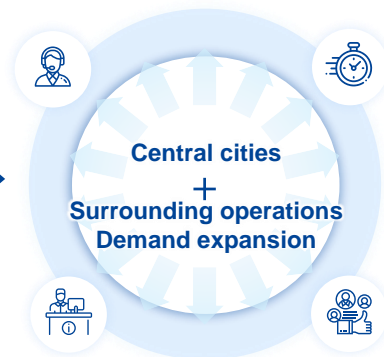
Results in FY2/20 to FY3/23	Results at the end of Dec. 2023	Goal by FY3/26
112	▶ 147	▶ 184

* Number of local governments with which we have transactions in the clerical human resources service business overall
 * Including subcontractors

Among 20 government-designated cities,



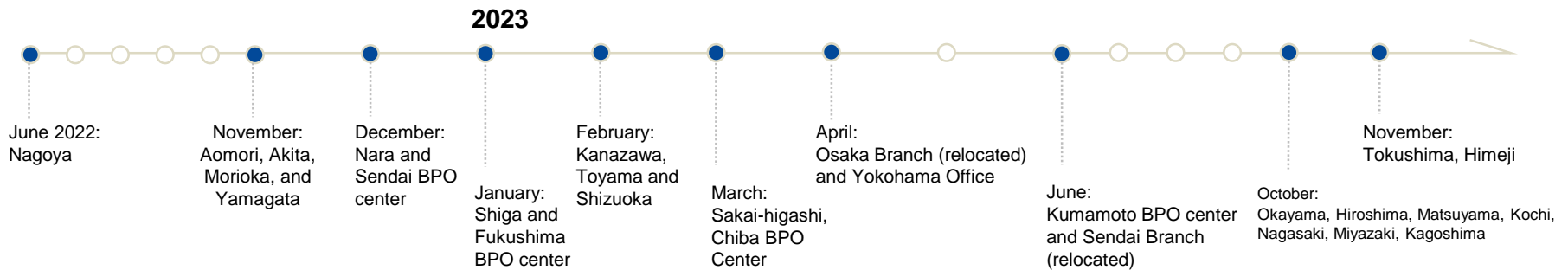
16 cities are our partner



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

Satellite office list opened after FY3/23

- For the purpose of increasing the amount of orders in the Kyushu and Chugoku regions, we will strive to streamline our marketing activities and further strengthen our marketing base.
- For the purpose of increasing the amount of orders in central cities and areas surrounding these cities, we will continue to develop bases going forward as well.



List of head office, branches, sales offices, satellite offices and BPO centers

- Head Office
- Sapporo branch
- Sendai branch
- Osaka Branch
- Fukuoka branch
- Okinawa branch
- Yokohama office
- Aomori Satellite Office
- Morioka Satellite Office
- Akita Satellite Office
- Yamagata Satellite Office
- Makuhari Satellite Office
- Toyama Satellite Office
- Kanazawa Satellite Office
- Shizuoka Satellite Office
- Nagoya Satellite Office
- Shiga Satellite Office
- Kyoto Satellite Office
- Sakai-higashi Satellite Office
- Nara Satellite Office
- Himeji Satellite Office
- Okayama Satellite Office
- Hiroshima Satellite Office
- Tokushima Satellite Office
- Matsuyama Satellite Office
- Kochi Satellite Office
- Nagasaki Satellite Office
- Miyazaki Satellite Office
- Kagoshima Satellite Office
- Sendai BPO Center
- Fukushima BPO Center
- Chiba BPO Center
- Yokohama Kannai BPO Center
- Osaka Yodoyabashi BPO Center
- Kobe BPO Center
- Kumamoto BPO Center

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

This information contains known and unknown risks and uncertainties related to macroeconomics, industry trends relevant to our company, advancements in new technologies, etc., which could lead to significant changes in the outcomes.

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

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



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

For inquiries

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Corporate Planning Department



03-6311-7321



03-6311-7324