



# Financial Results for the First Three Months of FY3/25

Careerlink Co., Ltd. (6070)  
Wednesday, August 14, 2024



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## Performance for the First Three Months of FY3/25 is progressing almost as planned

- Net sales in the first three months of FY3/25 was 10.2 billion yen. Profit decreased year on year due to the completion of large-scale BPO projects, which had been ordered in the fiscal year ended March 31, 2023 and in operation until the end of May of the previous fiscal year. However, focusing on our core business related to business process outsourcing, we proactively worked to develop new transactions with local governments that had not done business with us before, as well as to expand the area of the business, the group actively promoted the sales activities.
- In terms of profit, operating profit was 0.8 billion yen, on par with the first three months of FY3/24. This was mainly due to a reduction in personnel expenses and our efforts to improve business operations and business efficiency and manage other expenses more efficiently, such as those for outsourcing of business, increasing registered staff workers and recruiting new staff.

(Unit: Millions of yen)

First Three Months of FY3/25	First 3 Months of FY3/24 (Apr.-Jun.)	First 3 Months of FY3/25 (Apr.-Jun.)	Y/y Change	
<b>Consolidated</b>	<b>Net sales</b>	<b>11,410</b> (100%)	<b>10,201</b> (100%)	<b>89.4%</b>
	<b>Operating profit</b>	<b>826</b> (7.2%)	<b>826</b> (8.1%)	<b>100.1%</b>
	<b>Ordinary profit</b>	<b>831</b> (7.3%)	<b>827</b> (8.1%)	<b>99.5%</b>
	<b>Profit attributable to owners of parent</b>	<b>529</b> (4.6%)	<b>564</b> (5.5%)	<b>106.7%</b>



# Performance Highlights for the First Three Months of FY3/25



First Three Months of FY3/25 Each segment		First 3 Months of FY3/24 (Apr.-Jun.)	First 3 Months of FY3/25 (Apr.-Jun.)	(Unit: Millions of yen) Y/y Change
Clerical human resources	Net sales	9,862	8,392	85.1%
	Segment profit	779 (7.9%)	758 (9.0%)	97.2%
Manufacturing human resources	Net sales	1,475	1,735	117.6%
	Segment profit	36 (2.4%)	59 (3.4%)	164.6%
Other	Net sales	72	72	101.1%
	Segment profit	10 (14.4%)	9 (12.7%)	89.4%

\* We integrated the sales human resources service business into the BPO-related business segment in the clerical human resources service business in FY3/24.

## BPO-related business segment

- We proactively worked to develop new transactions with local governments that had not done business with us before, resulting in the starting of new transitions of 12 local governments. This enabled us to increase the total of transactions with local governments to 170 when combined with those with which we have transactions, successfully expanding our foundations.
- We made by steady orders from leading BPO operators for projects involving, among others, central government agencies.
- However, the impact of the completion of large-scale BPO projects related to welfare services, which had been in operation until the end of May of the previous fiscal year. In terms of social security and tax number projects, orders decreased year on year as operations to deal with new applications peaked out nationwide.

## CRM-related business segment

- We promoted the expansion of transactions with existing clients in local branch offices in Sapporo, Sendai and Fukuoka resulting in we received new orders from our existing clients.
- However, the reduction in decreased scale of projects ordered from existing clients in the previous fiscal year for the dispatch of workers in the Tokyo metropolitan area and Kansai region.

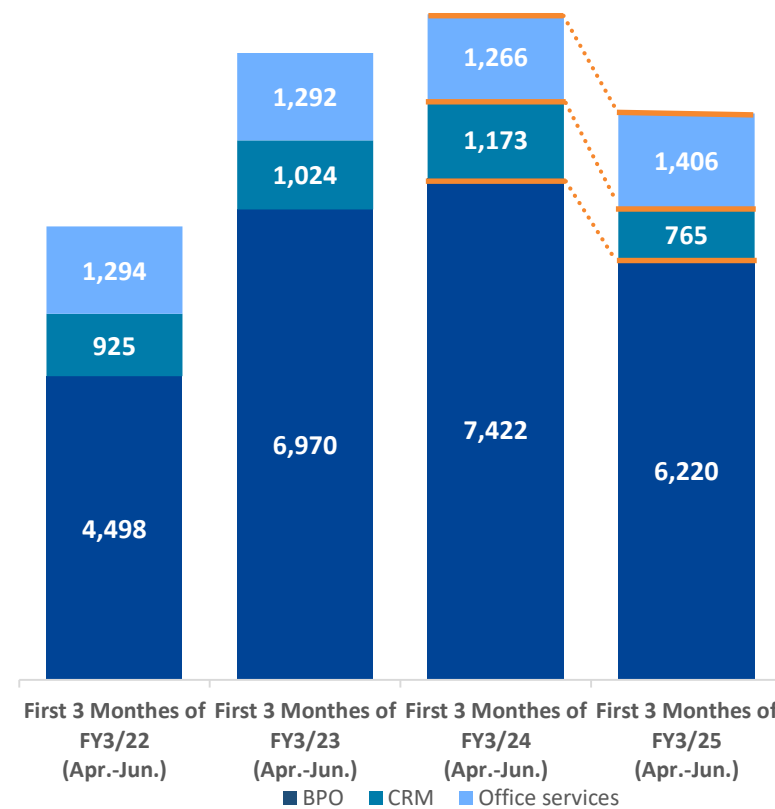
## Office services business segment

- Despite a year-on-year decrease in orders for social security and tax number projects for local governments, the volume of orders increased for various benefit payment projects and social insurance-related affairs from local governments.
- In addition, we developed new transactions with local government-related public corporations and the volume of orders also increased from leading BPO business operator's financial institutions due to expansion of the scale of existing projects.

\*The Accounting Standard for Revenue Recognition has been applied since the first quarter 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 quarter of FY3/24. For year-on-year comparability, net sales for the BPO-related business in FY3/23 and before include those for the sales human resources service business.

## Variation and breakdown in net sales of clerical human resources service

(Unit: Millions of yen)

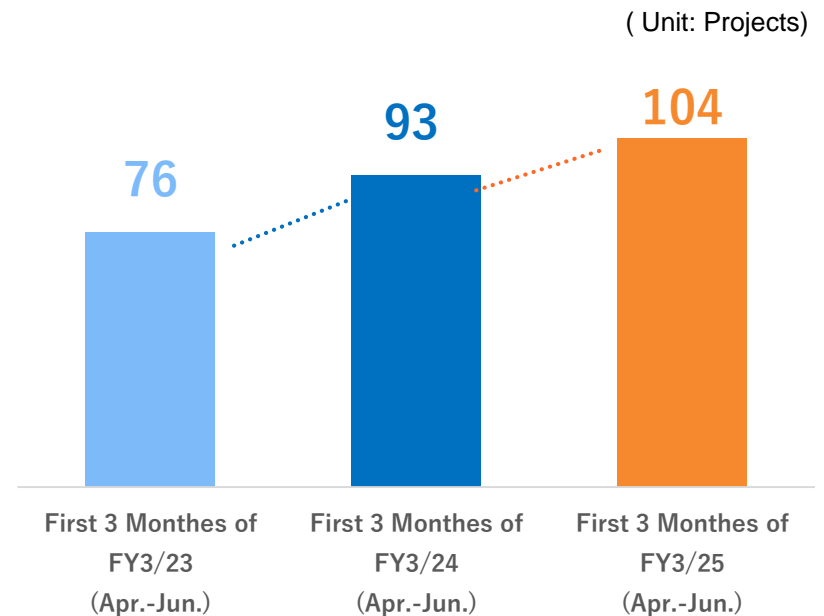
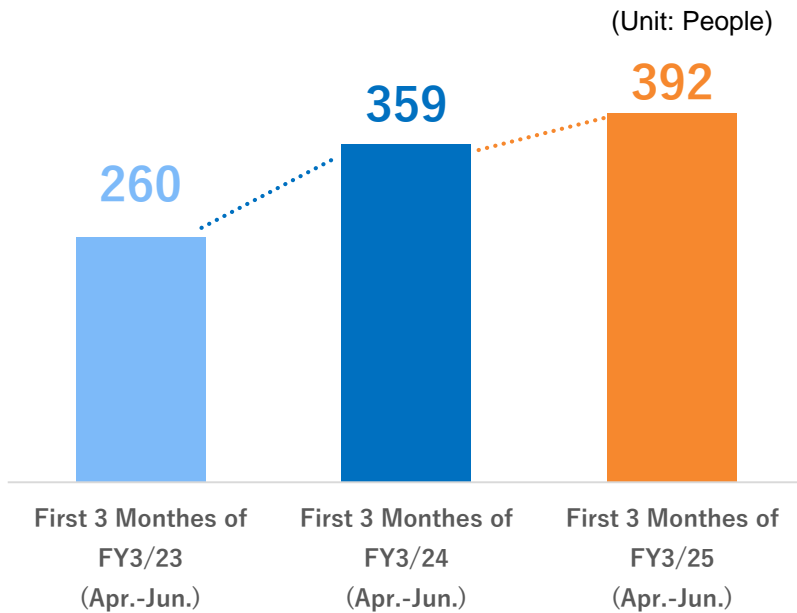


## Variation in the number of core personnel and the number of orders for BPO projects

- While curbing new hiring, as a result of recruiting highly specialized personnel in areas such as business construction and information systems, and focusing on the development and education of existing personnel hired in the previous fiscal year, the number of core personnel enrolled averaged 392 for the April-June period of FY3/25.
- The number of BPO projects has steadily increased, although the scale of the projects has decreased, and the actual number of BPO projects for the April-June period of FY3/25 was 104.

### Variation in the number of core personnel

### Variation in the number of BPO projects



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

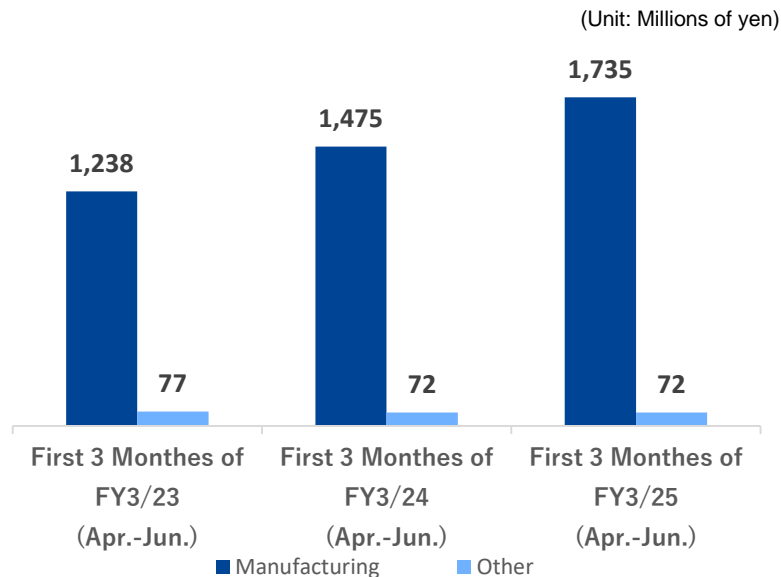
## Manufacturing human resources service business saw growth in sales and profit

- In the food processing category, the favorable volume of orders came from existing clients, primarily from industries such as food service-related products, lunch and delicatessen, and canned products. In the manufacturing and processing category, the volume of orders from some companies decreased due to yen depreciation. However, we focused our efforts on cultivating business relations not only with existing clients but also with new customers, resulting in an increase in orders for the industries housing equipment manufacturing, plant manufacturing and machinery manufacturing
- In addition to the increase in sales, the increase in profit was the result of efforts to efficiently manage selling, general and administrative expenses more efficiently.

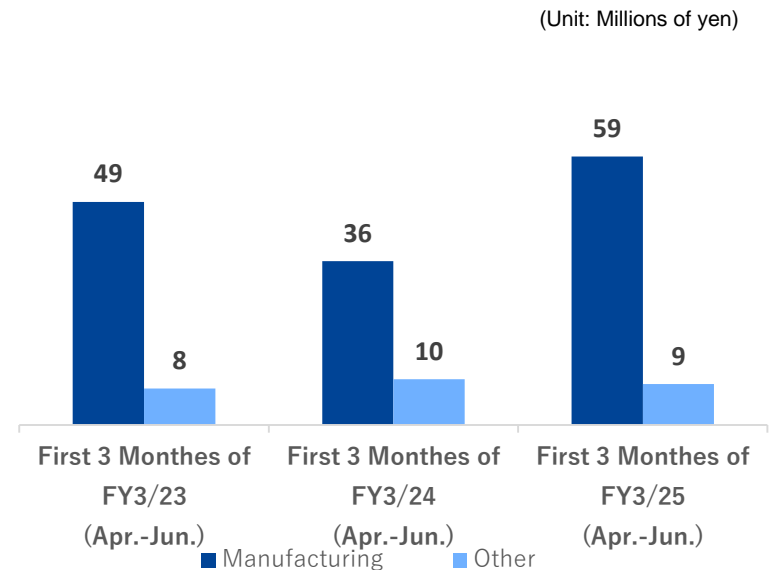
## Other saw decreased profit

- While net sales were at the same level as the same period of the previous fiscal year, operating income decreased due to the implementation of initiatives such as strengthening personnel in response to the upper limits of overtime, which came into effect on April 1, 2024.

**Manufacturing human resources service and others**  
**Net sales trends**



**Manufacturing human resources service and others**  
**Operating profit trends**





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## Earnings forecasts for the first half and full year, announced May 14, 2024, remain unchanged

- Earnings forecasts announced at the beginning of the fiscal year have not been revised, leaving the first half and full-year forecasts unchanged.
- In FY3/25, we will continue to promote the cultivation of new clients and the expansion of business areas, and aim to build a BPO business operation system. In addition, with an eye on future growth, we will promote investment in human capital and DX.

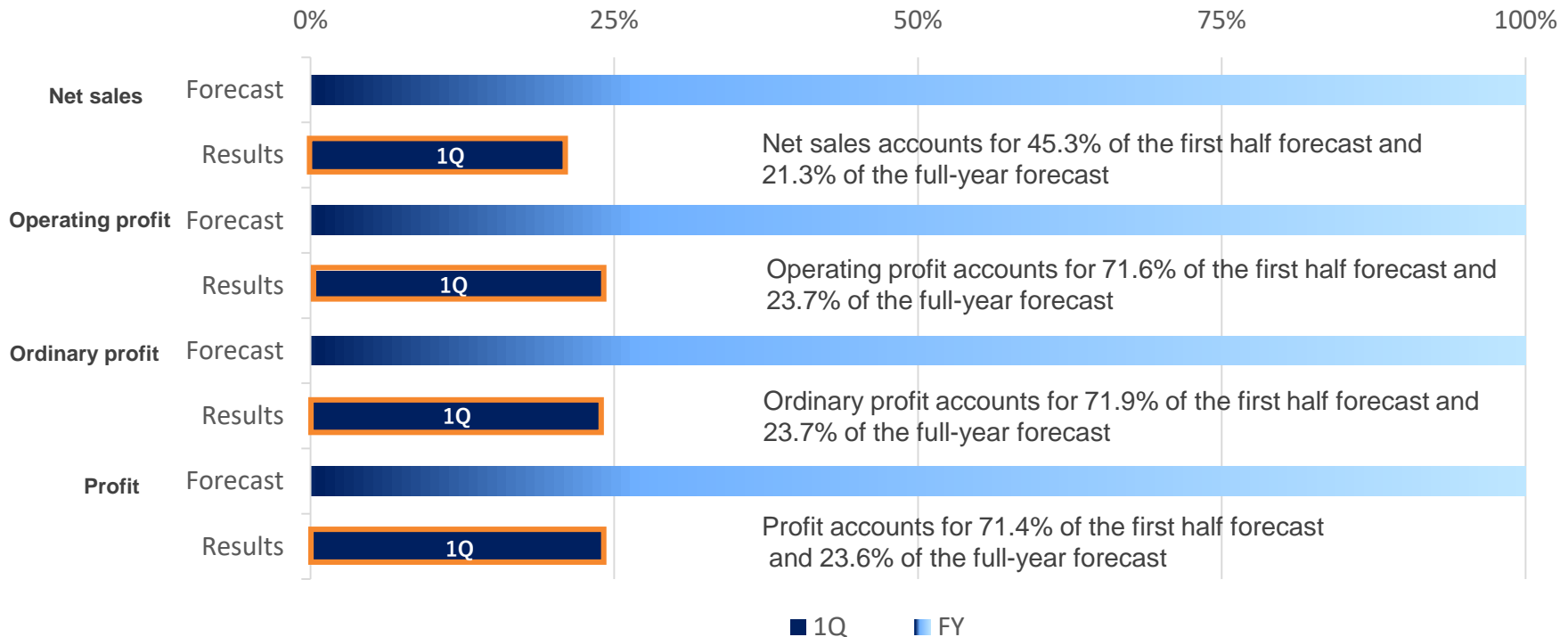
(Unit: Millions of yen)

	Results for the First 3 Months (Apr.-Jun.) of FY3/25	Forecast for the First Half (Apr.-Sep.) of FY3/25	Progress Rates Toward the First Half Forecast	
<b>Consolidated</b>	<b>Net sales</b>	<b>10,201</b>	<b>22,527</b>	<b>45.3%</b>
	<b>Operating profit</b>	<b>826</b>	<b>1,154</b>	<b>71.6%</b>
	<b>Ordinary profit</b>	<b>827</b>	<b>1,151</b>	<b>71.9%</b>
	<b>Profit attributable to owners of parent</b>	<b>564</b>	<b>790</b>	<b>71.4%</b>

## Progress rates toward the earnings forecast as of the first three months of FY3/25

- Achieving 45.3% of the first half forecast for net sales and 71.6% of the first half forecast for operating profit.
- Due to the forecast being weighted toward the second half of the fiscal year, progress toward the full-year forecast was 21.3% for net sales and 23.7% for operating profit.

### Progress with respect to forecasts



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## Partner agreement was concluded in July 2024 with Tomakomai City (Hokkaido) on the administrative reform

- We concluded a partner agreement in July 2024 with Tomakomai City (Hokkaido) on the administrative reform. With the conclusion of the agreement, we will promote BPR at Tomakomai City offices.
- Through this initiative, we will promote BPR at Tomakomai City offices and aim to accumulate knowledge and expertise and strengthen our sales operations.
- This is the second time that we have concluded a BPR partner agreement, following the agreement with Yamatotakata City (Nara Prefecture) in October 2023.



\* BPR (Business Process Re-engineering) is an initiative to reduce the burden on both the public, businesses, and employees by analyzing existing business processes in detail, identifying issues, and deriving overall solutions from the ground up, as well as improving convenience by speeding up and improving the accuracy of business processes.

## Selected as a component stock of the JPX-Nikkei Mid and Small Cap Index for the Fourth consecutive year

- Careerlink was selected in 2024 as a constituent stock of the JPX-Nikkei Mid and Small Cap Index for the fourth consecutive year.
- The JPX-Nikkei Mid and Small Cap Index is based on the concept of the JPX Nikkei Index 400, in which companies that are highly attractive to investors are selected as constituent stocks, and applied to mid and small cap companies. In addition to selecting companies that make efficient use of capital and manage their businesses with investors in mind, the index aims to spread and promote this awareness among a wider range of companies.
- We will continue to strive to enhance our corporate value to meet our stakeholders' expectations.

\* For details on the JPX-Nikkei Mid and Small Cap Index, please see the Tokyo Stock Exchange website <https://www.jpx.co.jp/markets/indices/jpx-nikkei400/01.html>



# JPX-NIKKEI Mid Small

Selected in 2021, 2022, 2023 and 2024

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Progress against the example of net sales in the BPO-related business segment posted on page 30 of the financial results for 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	<b>FY3/25</b>	116 <sup>*1</sup>	101 <sup>*2</sup>	1.6 <sup>*3</sup>	18,642	175 <sup>*1</sup>	65 <sup>*4</sup>	11,425	30,067 
	<b>First 3 months of FY3/25</b>	45 (38.8%) <sup>*5</sup>	44 (43.6%) <sup>*6</sup>	1.5 (-0.1%)	2,986 (16.0%)	85 (48.6%) <sup>*5</sup>	38 (58.5%)	3,234 (28.3%)	6,220 (20.7%) 

- Progress as a percentage of BPO sales was 16.0% for local governments and 28.3% for private companies.
- Unit price trended at 38.8% for local governments and 48.6% for private companies, exceeding quarterly values (1/4 = 25%) relative to the annual plan. Similarly, the number of projects was 43.6% for local governments and 58.5% for private companies relative to the annual plan.
- The multiple project indicator for local governments was 1.5 times compared to 1.6 times the plan.

\*1. Estimate for average contract amount of BPO projects (Calculated by average value of each projects sales)  
 \*2. Forecast of the number of local governments in a single fiscal year  
 \*3. Goal level of multiple projects ratio  
 \*4. Estimate for average contract amount of BPO projects for private companies  
 \*5: Calculated as the average sales value per project  
 \*6. Except subcontracting projects through BPO providers from local governments (including Private companies (b))



## 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.

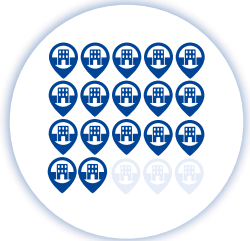
### Number of local governments with which we have transactions\* (Prefectures/municipalities)

Results in FY3/22 to FY3/24	Results in FY3/23 to FY3/25 1Q	Goal by FY3/27
158	170	230

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

\* Including subcontractors

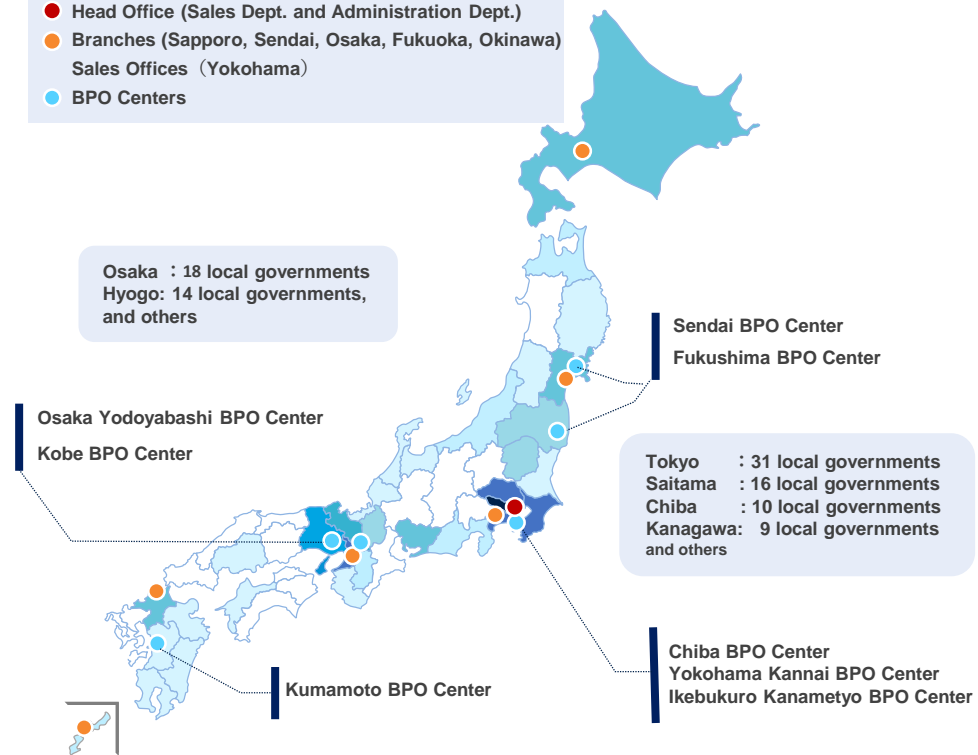
Among 20 government-designated cities,



**17 cities are our partner**



- Head Office (Sales Dept. and Administration Dept.)
- Branches (Sapporo, Sendai, Osaka, Fukuoka, Okinawa)
- Sales Offices (Yokohama)
- BPO Centers

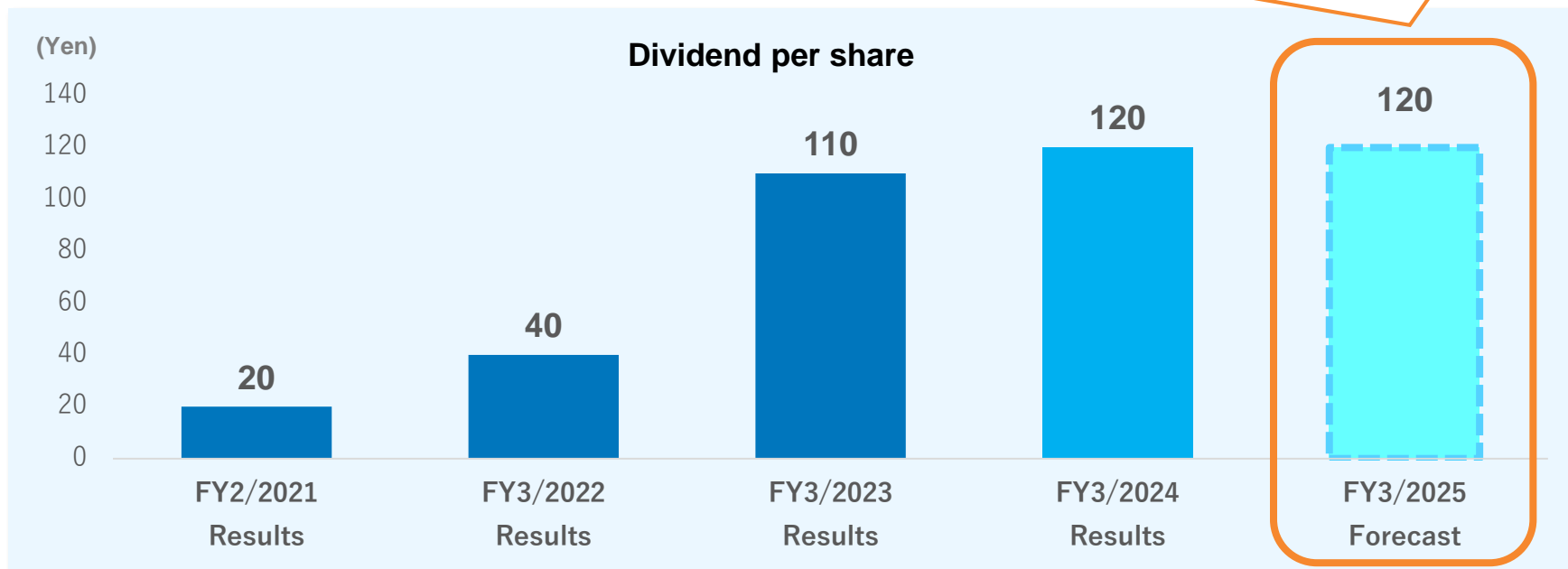


**Business expansion to meet the demand from major local governments around Japan**

**Based on the fundamental policy of stable dividends, we anticipate a year-end dividend of 120 yen per share for FY3/25**

- 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.
- The expected year-end dividend for FY3/25 is at 120 yen (with an expected dividend payout ratio of 59.6%).
- In our medium-term plan outlined announced May 14, 2024, we anticipate securing a baseline profit, thus intending to maintain the dividend **at 120 yen throughout the period of the medium-term management plan.**

We anticipate sustaining the 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).

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.





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に働くよろこびを  
*We Believe the joy of work*

For inquiries

**Careerlink Co., Ltd.**

Corporate Planning Department



03-6311-7321



03-6311-7324