



# Financial Results for the First Half of FY3/25, (Interim Period)

**Careerlink Co., Ltd. (6070)**  
**Wednesday, November 27, 2024**



- 01 Summary of Financial Results for the First Half of FY3/25, (Interim Period)**
- 02 Earnings Forecast for FY3/25**
- 03 Medium-Term Management Plan**
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## While Net sales fell short of initial forecasts, Operating profit and subsequent stage profits achieved the plan

- As mentioned in “Notification on the revision to the earnings forecast” announced on November 1, 2024, we revised the earnings forecasts for this interim consolidated accounting period.
- As contract prices for certain projects went down, we failed to obtain orders for projects we had expected to win or decided not to bid for projects unlikely to result in the anticipated gross profit. As a result, net sales totaled 20.463 billion yen, lower than the initial forecast but due to enhanced management of project profitability and efficient operation, including cost management, Operating profit totaled 1.188 billion yen, surpassing our initial projections.
- In many of the economic measure the services performed over the period through September 2024 accounted for a large proportion of the services to be performed throughout the contract period, with the result that personnel and other expenses increased correspondingly for the second quarter, however, it expenses are expected to decrease significantly after October 2024.

(Unit: Millions of yen)

First half of the current term (Interim Period)	Interim Period of FY3/25 (Apr.- Sep.) of FY3/25 Initial Forecast	Interim Period of FY3/25 (Apr.- Sep.) Actual	Progress Rates Toward the Initial Forecast	Interim Period of FY3/24 (Apr.- Sep.) Actual	Y/y Change	
Consolidated	<b>Net sales</b>	<b>22,527</b> (100%)	<b>20,463</b> (100%)	<b>90.8%</b>	<b>22,235</b> (100%)	<b>92.0%</b>
	<b>Operating profit</b>	<b>1,154</b> (5.1%)	<b>1,188</b> (5.8%)	<b>102.9%</b>	<b>1,136</b> (5.1%)	<b>104.6%</b>
	<b>Ordinary profit</b>	<b>1,151</b> (5.1%)	<b>1,191</b> (5.8%)	<b>103.5%</b>	<b>1,140</b> (5.1%)	<b>104.5%</b>
	<b>Interim net profit attributable to owners of parent</b>	<b>790</b> (3.5%)	<b>800</b> (3.9%)	<b>101.3%</b>	<b>729</b> (3.3%)	<b>109.8%</b>

(Unit: Millions of yen)

First half of the current term (Interim Period) Each segment	Interim Period of FY3/24 (Apr.-Sep.)	Interim Period of FY3/25 (Apr.-Sep.)	Y/y Change	
Clerical human resources	Net sales	18,999	16,840	88.6%
	Segment profit	1,027 (5.4%)	1,056 (6.3%)	102.8%
Manufactu ring human resources	Net sales	3,092	3,478	112.5%
	Segment profit	88 (2.8%)	112 (3.3%)	128.1%
Other	Net sales	143	144	100.5%
	Segment profit	20 (14.0%)	18 (12.5%)	91.8%

## BPO-related business segment

- As a result of actively developing new transactions with local governments we had never done business, we have started transactions with seven new local government clients, resulting in doing business with 177 local governments, including existing clients.
- 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.
- 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.

## CRM-related business segment

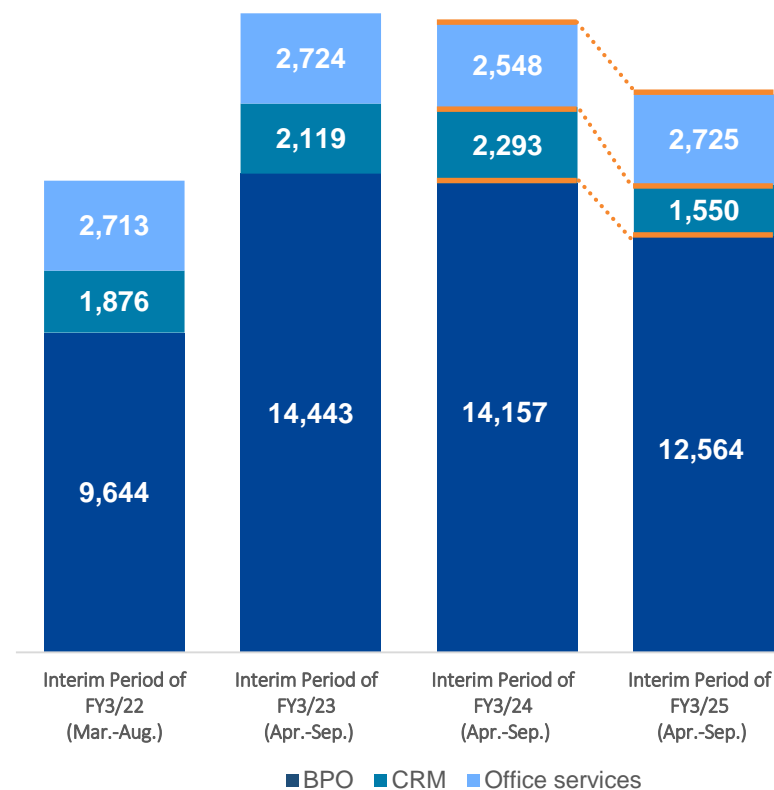
- Acquiring orders from leading telemarketing operators, which are existing clients, for new projects for the dispatch of workers at call centers. On the other hand, we saw the completion or decreased scale of projects ordered in the previous fiscal year—namely, projects ordered by existing clients for the dispatch of workers at large-scale call centers and projects ordered by financial institutions for the short-term dispatch of workers.

## Office services business segment

- We faced a decline in orders, dragged down by the completion of projects for the dispatch of workers for leading BPO operators as operations to deal with new applications for social security and tax numbers peaked out nationwide. At the same time, we enjoyed a steady increase in orders for local government projects related to economic measures and social insurance, and we also benefitted from the development of new transactions with and increased orders from public corporations associated with local governments.

## 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.

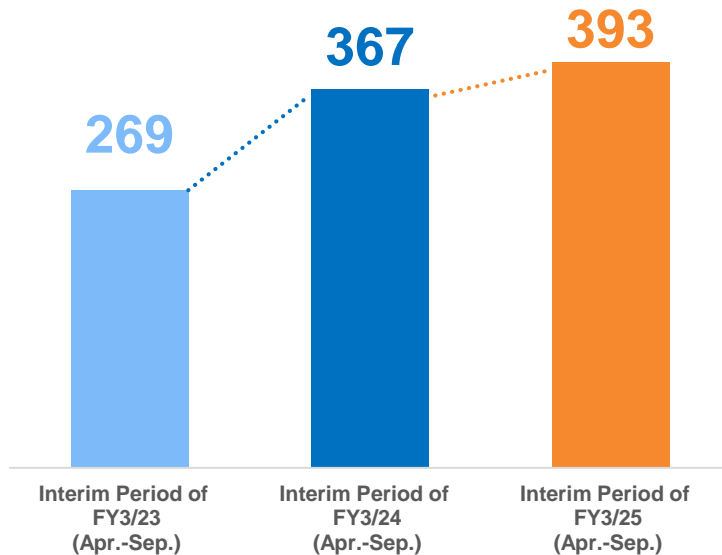
For year-on-year comparability, net sales for the BPO-related business in the first half of FY3/23 and before include those for the sales human resources service business.

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

- 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 393 for Interim 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 Interim Period of FY3/25 was 152.

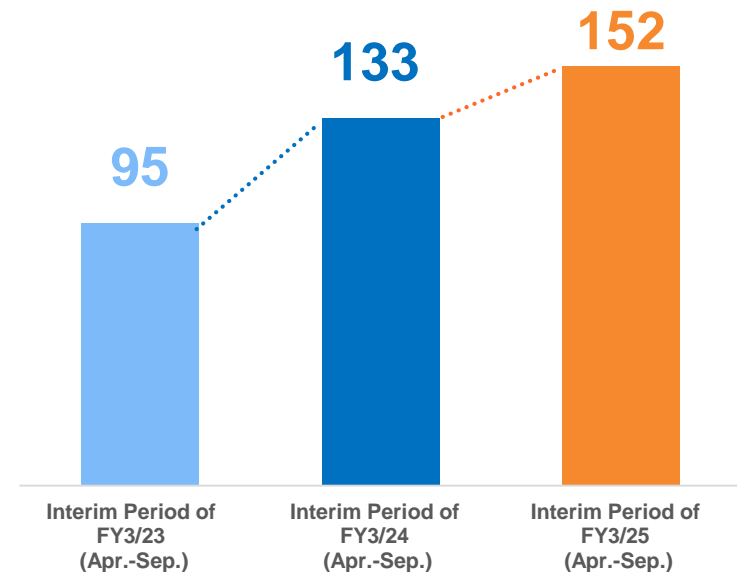
### Variation in the number of core personnel

(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.

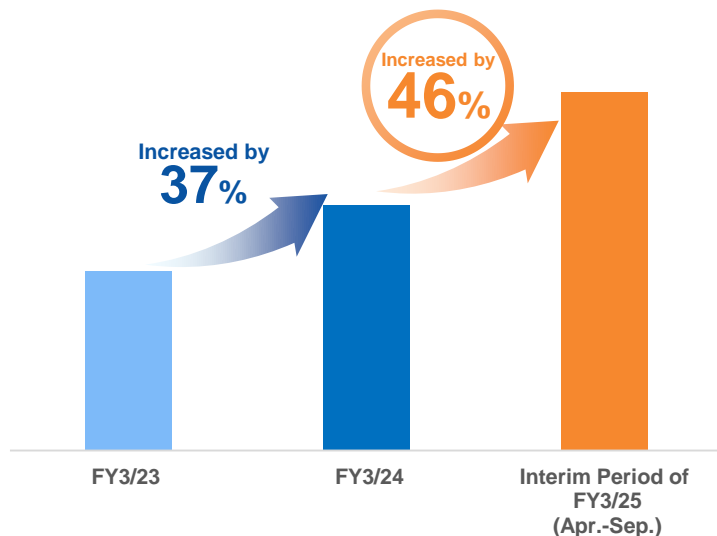
## Increase in the number of long-term BPO contract projects for local governments

- The ratio of long-term contracts, lasting 12 months or more, BPO contract projects for local governments is on the rise. The performance for the interim period of FY3/25 showed an increase of +46% compared to the end of the previous term.
- We are promoting the acquisition of long-term, ongoing projects as outlined in our medium-term management plan.

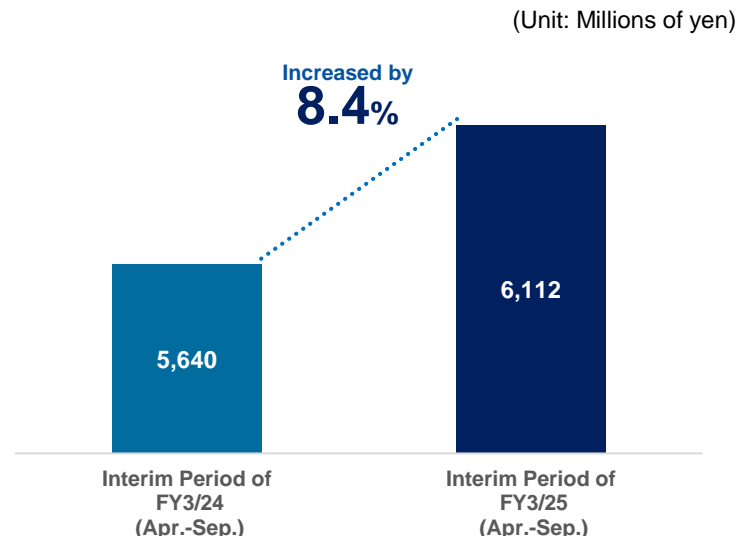
## Increase in Private enterprises BPO project sales

- As a result of strengthening initiatives in private enterprises BPO, acquiring orders from leading telemarketing operators, which are existing clients, for new projects for the dispatch of workers at call centers. On the other hand, we saw the completion or decreased scale of projects ordered in the previous fiscal year—namely, projects ordered by existing clients for the dispatch of workers at large-scale call centers and projects ordered by financial institutions for the short-term dispatch of workers.

**Increase rate in the number of long-term BPO contract projects for local governments**



**Private enterprises BPO project sales (Y/y Change)**



\* Increase rate of projects with a contract period of 12 months or more in ordered projects.

\* The number of cases itself is not disclosed.

\* For discretionary contracts that continue with the same project content, the contract period is calculated on a continuous basis.





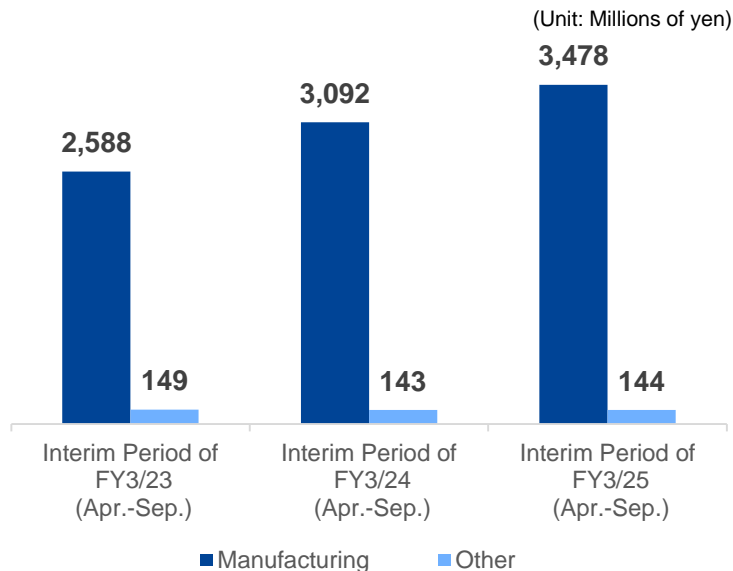
## Manufacturing human resources service business saw growth in sales and profit

- 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 strong from existing clients. In the manufacturing and processing category, although orders from some automotive-related clients decreased owing to production adjustment, we saw a continued increase in orders from clients in the housing equipment manufacturing, plant manufacturing, and machinery manufacturing industries.
- In terms of profit, the increase in sales, combined with efforts to reduce and efficiently manage selling, general, and administrative expenses, resulted in higher profit.

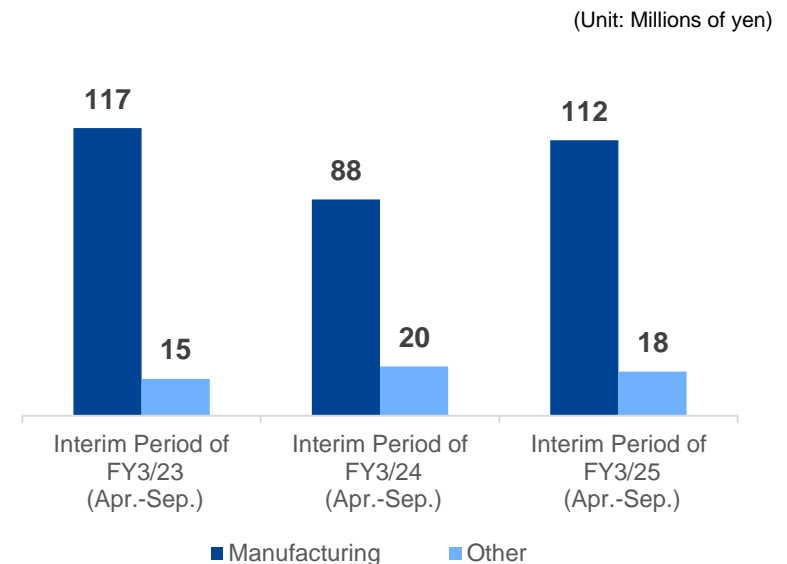
## Other saw decreased profit

- Due 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, there was a slight decrease in profit.

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



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



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## No change earnings forecast for full-year, profit projections remain unchanged

- As mentioned in “Notification on the revision to the earnings forecast” announced on November 1, 2024, we revised the earnings forecasts for this interim consolidated accounting period, but there is no change to the full-year earnings forecast.
- However, should there be changes in the timing or scale of project orders from local governments and other entities that our company has anticipated, due to political circumstances or similar factors, we may revise forecast for full-year.

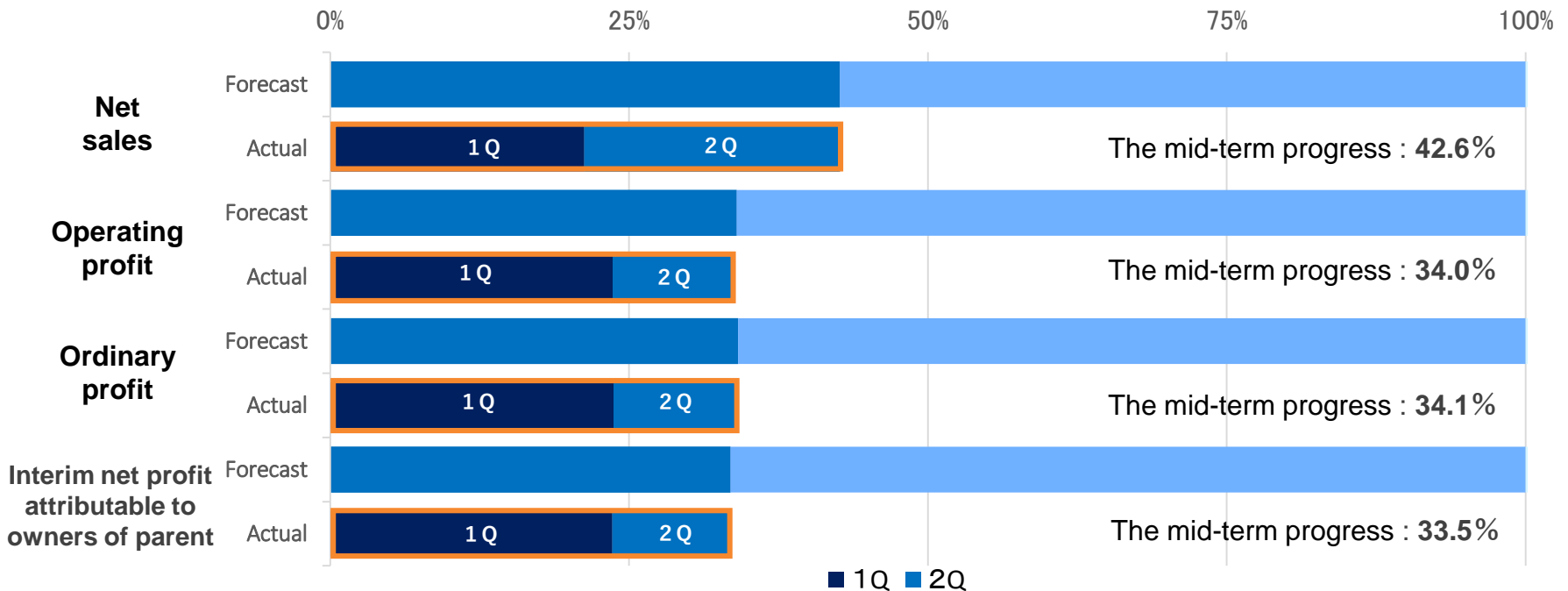
(Unit: Millions of yen)

	Interim Period of FY3/25 (Apr.-Sep.) Actual	Full-Year of FY3/25(Apr.-Mar.) Forecast	
<b>Consolidated</b>	<b>Net sales</b>	<b>20,463</b>	<b>48,000</b>
	<b>Operating profit</b>	<b>1,188</b>	<b>3,495</b>
	<b>Ordinary profit</b>	<b>1,191</b>	<b>3,490</b>
	<b>Profit attributable to owners of parent</b>	<b>800</b>	<b>2,389</b>

## Progress rate at the mid-term and quarterly trends against the earnings forecast

- Due to the forecast being weighted toward the second half of the fiscal year, the mid-term progress toward the full-year forecast was 42.6% for net sales and 34.0% for operating profit.
- Operating profit margin for the second quarter was substantially lower than that for the first quarter. This was mainly because, in many of the economic measure–related projects ordered in after June 2024, the services performed over the period through September 2024 accounted for a large proportion of the services to be performed throughout the contract period, with the result that personnel and other expenses increased correspondingly for the second quarter. However, it expenses are expected to decrease significantly after October 2024.

**Progress with respect to forecasts**



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## The Medium-Term Management Plan through FY3/2027 remains unchanged

- In FY3/25 and FY3/26, in addition to our efforts in the second half of FY3/24 to increase the number of local governments with which we have transactions, expand business areas, and strengthen BPO initiatives for private enterprises, we will work on the development of new business models characterized as capable of being tailored to clients' needs and business areas and the reconstruction of business processes by promoting digital transformation based on the introduction of AI and other digital technologies in order to strengthen structures to increase clients' satisfaction, improve operations and quality and Consider M&A in related fields.
- In FY3/25 and FY3/26, as a result of these efforts, there will be a wide variety of trials and errors, and thus the net sales growth rate is expected to remain at nearly 10% with an operating profit margin of around 7.5%. For FY3/27, we plan a net sales growth rate of 15% and an operating profit margin of 8.3% thanks to trials and errors over two fiscal years.
- Due to political circumstances or similar factors, if there are changes in the timing and scale of project orders from local governments and others that our company had anticipated, and if these changes significantly affect the next fiscal year, we will consider revising both our full-year earnings forecast and our medium-term management plan.

(Unit: Millions of yen)	FY3/24 Actual	FY3/25 Forecast	Y/y increase/ decrease rate	FY3/26 Plan	Y/y increase/ decrease rate	FY3/27 Plan	Y/y increase/ decrease rate
<b>Net sales</b>	<b>43,791</b>	<b>48,000</b>	<b>+9.6%</b>	<b>52,648</b>	<b>+9.7%</b>	<b>60,543</b>	<b>+15.0%</b>
<b>Operating profit</b>	<b>3,279</b> (7.5%)	<b>3,495</b> (7.3%)	<b>+6.6%</b>	<b>3,928</b> (7.5%)	<b>+12.4%</b>	<b>5,013</b> (8.3%)	<b>+27.6%</b>
<b>Ordinary profit</b>	<b>3,280</b> (7.5%)	<b>3,490</b> (7.3%)	<b>+6.4%</b>	<b>3,923</b> (7.5%)	<b>+12.4%</b>	<b>5,008</b> (8.3%)	<b>+27.7%</b>
<b>Profit attributable to owners of parent</b>	<b>2,201</b> (5.0%)	<b>2,389</b> (5.0%)	<b>+8.5%</b>	<b>2,641</b> (5.0%)	<b>+10.5%</b>	<b>3,383</b> (5.6%)	<b>+28.1%</b>

Consolidated

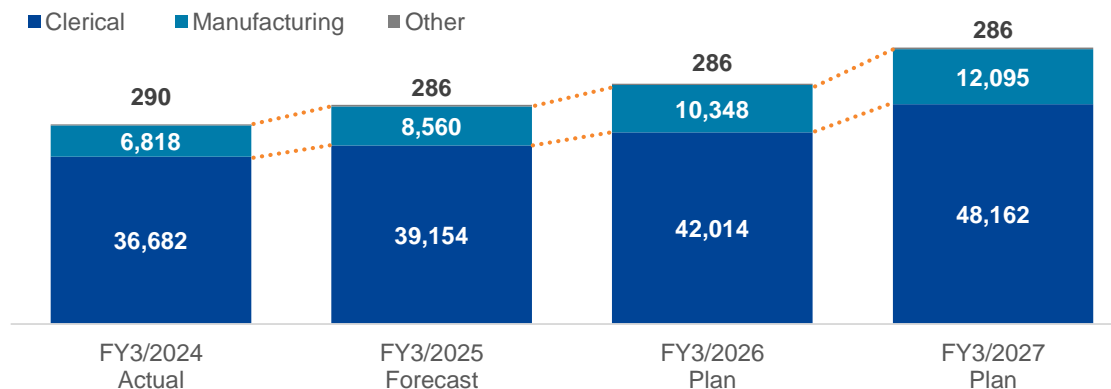
## Sales plan in each segment

- To achieve CAGR of net sales up 10% over the next four years in the clerical human resources service business and up 21% in the manufacturing human resources service business.

(Unit: Millions of yen)

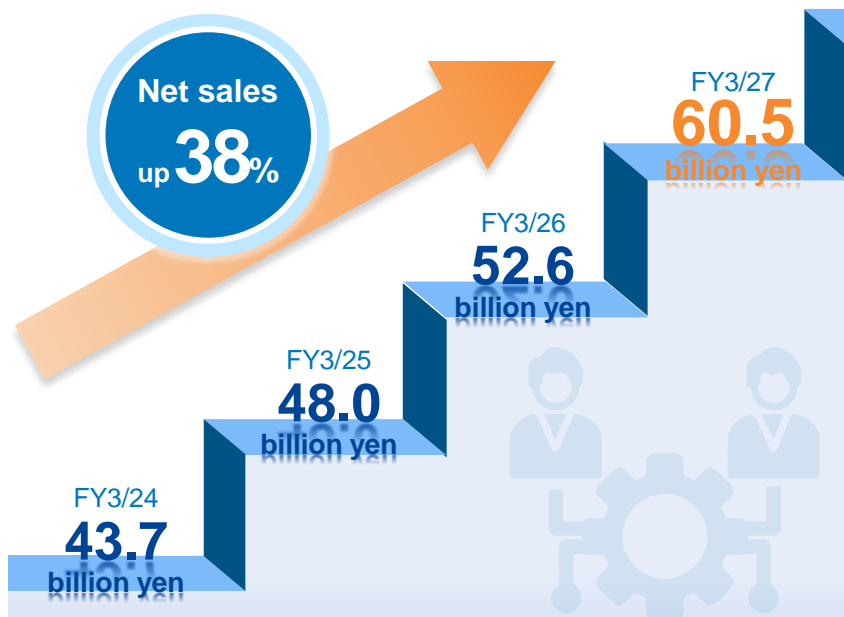
Sales in each segment	FY3/24	FY3/25	FY3/26	FY3/27
	Actual	Forecast	Plan	Plan
Clerical human resources	36,682	39,154	42,014	48,162
Manufacturing human resources	6,818	8,560	10,348	12,095
Other	290	286	286	286

(Unit: Millions of yen)



In FY3/25, continue to promote the deepening of public BPO and the diversification of projects

- Under the medium-term growth strategy, we will implement five priority areas for FY3/25 as described below.



## Medium-term growth strategy

- Deepen business relations with surrounding municipalities (cities with a population of more than 100,000, etc.) of local governments with which we have already started transactions, increase the number of local governments with which we have transactions, and expand business areas in order to push forward with **revenue base building**.
- Actively deepen business relations in specialized fields such as new business areas, and in particular, **accumulate long-term projects**.
- Develop highly proficient human resources, **improve the customer satisfaction level**, and strengthen structures for business and quality improvement.

## Priority areas for FY3/25

- Widening and area development of operating activities in line with expansion of the areas of local governments with which we have transactions
- Counter operations and general affairs-related operations
- Strengthening initiatives for private BPO
- Development of operating activities with continuity and profitability in mind
- Strengthening structures for improving operations and operational quality, and improving the customer satisfaction level

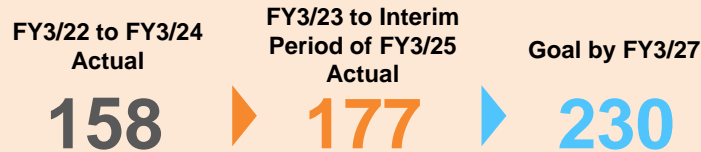
\*Rounded down to the nearest 100 million yen



## 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.

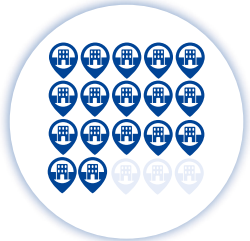
### Number of local governments with which we have transactions\* (Prefectures/municipalities)



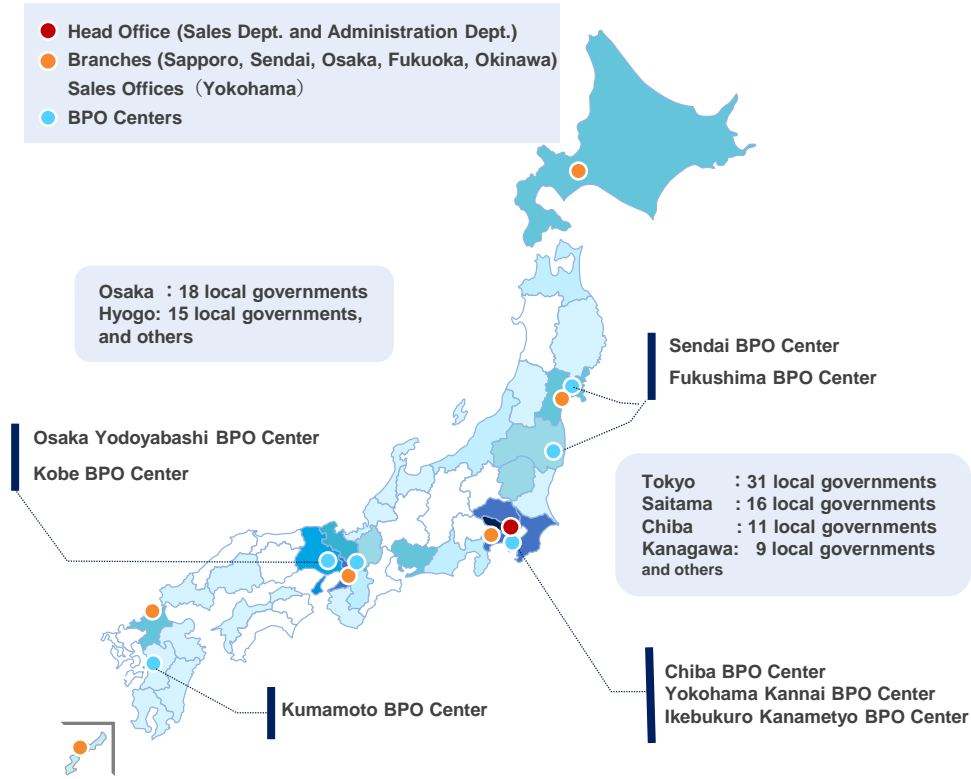
\* Number of local governments with which we have transactions in the clerical human resources service business overall

\* Including subcontractors

Among 20 government-designated cities,



**17 cities are our partner**



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

## Aiming to increase the number of local governments with which we have transactions while expanding the scope of business domains with public BPOs

- The business domains that we can handle internally are increasing year by year.
- In addition to increasing the number of new local governments, we aim to further expand our business domains.
- We will expand alliance partnerships with leading companies in each area in addition to business operations by ourselves.

### Main achievements in local governments projects



- Counter-related operations at citizen's section
- Counter-related operations for general inquiries
- Municipality facility administration operations
- Census-related operations
- Operations related to immigration and quarantines
- Residency status-related operations
- Passport issuance operations
- Civil registration-related administrative services
- Administrative operations for health checkups
- Immunization-related operations
- Childbirth and childcare-related operations
- Childcare and nursing care personnel support operations
- Operations related to various benefits for childcare
- Nationwide free school lunch operations
- National pension and employee pension-related operations
- National health insurance-related operations
- Taxation-related operations
- Nursing care insurance-related operations



- Latter-stage elderly healthcare system-related operations
- Elderly support operations
- Designated intractable disease medical care-related operations
- Disability and welfare-related operations
- Individual Number issuance desk operations
- Social Security and Individual Number promotion operations
- Social Security and Individual Number Point-related operations
- Individual Number Business trip application support
- Garbage collection center reception operations
- Election-related operations
- Dispatch of substitutes when staff members take a leave
- Public assistance-related operations (including health support for protected persons)
- Zero carbon promotion measure operations
- Job seeker support operations
- ICT support operations
- Operations related to various benefits for economic measures
- Childrearing support-related operations
- SME support-related operations



- Energy saving support operations
- Operations providing support due to price increases for electricity, gas, and groceries (for residents / businesses)
- Operations for governmental offices operating digital coupons
- Welfare-related consultation center operations
- Operations supporting smartphone distributions for seniors
- Test support operations
- License office operations
- Bank transfer scam prevention operations
- BPR support operations
- School support-related operations
- general affairs and Human resources administrative-related operations



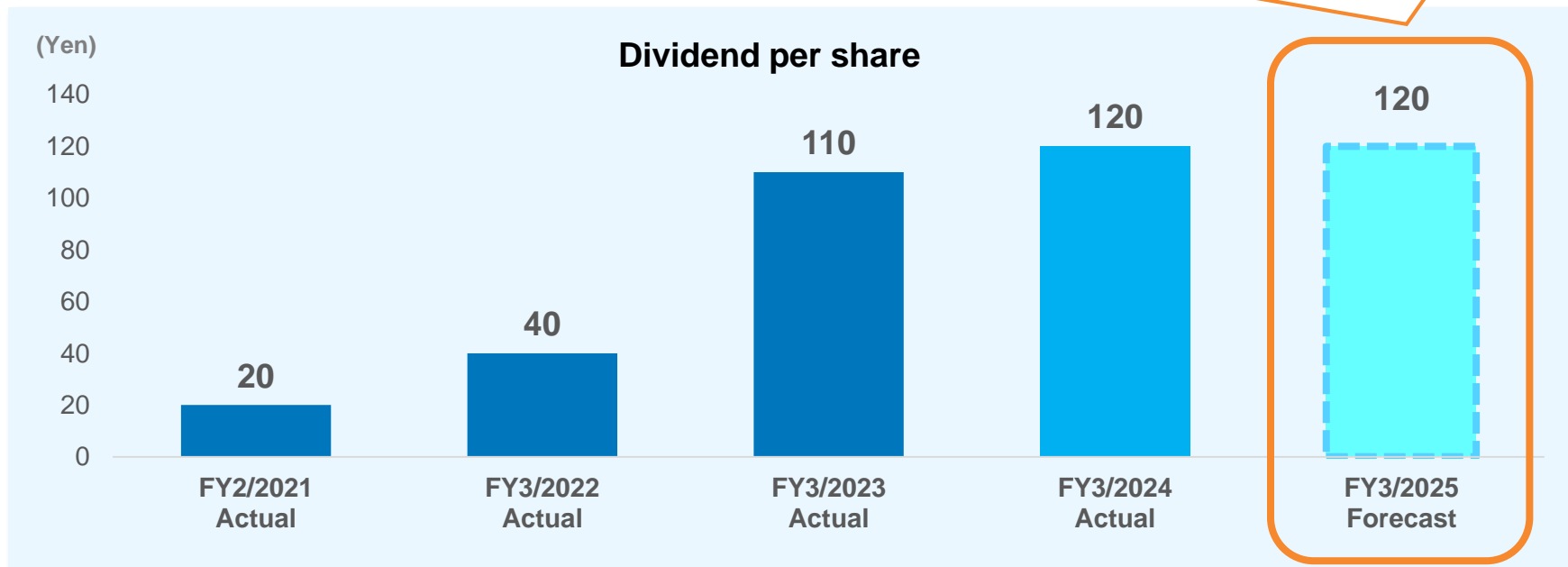
**We aim to steadily expand our business areas through the accumulation of contracted achievements**

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

- 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).

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## Progress against the example of net sales in the BPO-related business segment and Y/y Change

		Local governments (a)			Private enterprises(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	FY3/25	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 
	Interim Period of FY3/25 <small>(Progress against annual plan)</small>	62.6 <small>(54.0%)<sup>*5</sup></small>	× 69 <small>(68.3%)<sup>*6</sup></small>	× 1.5	= 6,453 <small>(34.6%)</small>	124.7 <small>(71.3%)<sup>*5</sup></small>	× 49 <small>(75.4%)</small>	= 6,112 <small>(53.5%)</small>	12,565 <small>(41.8%)</small> 
Reference	Interim Period of FY3/24	115	× 57	× 1.3	= 8,517	95	× 59	= 5,640	14,157 

- Progress as a percentage of BPO sales was 34.6% for local governments and 53.5% for private enterprises.
- In local governments, although the scale of individual projects has shrunk as anticipated due to the completion of large-scale projects related to welfare services that had operated in the previous fiscal year, the number of orders received and the multiple project index have remained robustly increasing.
- In the private enterprises, although the number of projects has decreased compared to the same period last year, the scale of projects has expanded due to an increase in the value of large-scale project orders.

\*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 enterprises.

\*5: Calculated as the average sales value per project

\*6. Except subcontracting projects through BPO providers from local governments (including Private enterprises (b))

## ROE and stock market indexes

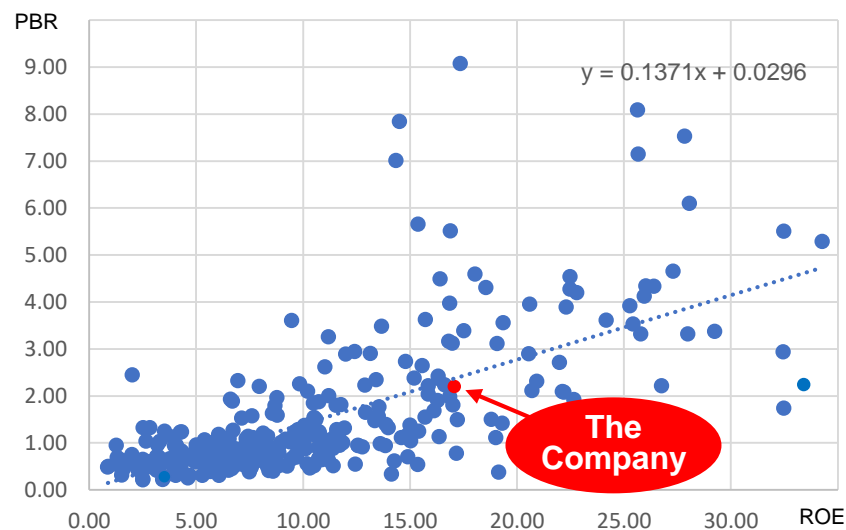
- Compared to the profitability level, PER and EBITDA are below the market average.
- As shown below, we aim to achieve PER of 15.9 in the average among companies with a market capitalization of 30 to 50 billion yen and strengthen our dialogue with the market participants by actively engaging in IR.

Stock	ROE (Forecast)	PBR (Forecast)	PER (Forecast)	EBITDA (Forecast)
<b>Careerlink</b> (Interim period of FY3/25)	% <b>17.1</b>	Times <b>2.2</b>	Times <b>12.7</b>	Times <b>5.9</b>
Average among companies with a market capitalization of 30-50 billion yen	12.1	1.7	15.9	8.7
Average in the Prime Market	12.1	1.7	17.4	9.4
Average in the service industry	15.1	2.5	19.2	9.3
Average for the past 10 years of the Company	26.9	2.4	13.0	6.1

\*All other figures are as of November 8, 2024, unless otherwise indicated, and are taken from Bloomberg.  
 \*ROE = Profit (earnings forecast for FY3/25) ÷ Shareholder's equity  
 (average value between the end of the previous term and the end of this term)  
 \*The Company's PER is forecast as of November 8, and PBR is an actual value  
 (as of the end of the latest fiscal year).  
 \*The Company's EBITDA is calculated by the Company based on earnings forecast for FY3/25.  
 \*Operating profit levels after November 2024 (right chart) are forecasts for the current fiscal year and are not guarantees of actual results.

## ROE/PBR of listed companies with a market capitalization of 30 to 50 billion yen

- As shown in the chart below, there is a positive correlation between ROE and PBR for companies of similar size to the Company.
- Applying the Company's ROE of 17.1%, the PBR of 2.2 as of interim period of FY3/25 is a fair level.



\*As of November 8, 2024. 325 stocks with a market capitalization of 30 to 50 billion yen, excluding loss-making stocks, were taken from Bloomberg.  
 \*ROE (return on equity) = Net income (earnings forecast for FY3/25) ÷ Shareholders' equity  
 (average value between the end of the previous term and the end of this term).  
 \*PBR (price book value ratio) = Share price ÷ Net assets per share  
 (as of the end of the latest fiscal year).



**Promote and achieve the medium-term management Plan to achieve sustainable corporate value**

- Steadily promote the initiatives set forth in the medium-term management plan, we will continue to achieve ROE that exceeds the cost of shareholders' equity.
- We pay attention to the cost of capital and will work to improve return on shareholders' equity.

**Cost of  
shareholders' equity**

**10.7%**

(The Company's perception  
of the current situation)

**Ratio of net income to  
own capital**  
< Return on equity >

**ROE 17.1%**

(Forecast for FY3/25)

**Sustainable  
corporate  
value improvement**

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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*We Believe the joy of work*

For inquiries

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