

Financial Results Presentation

Second Quarter of Fiscal Year Ended
October 2017 (40th Term)

**Aim to reach new records in
highest sales and profit**

June 2017



TSE, 1st Section (Code: 2301)

Digest of income statement

	2Q of Fiscal Year 2016	Percentage	2Q of Fiscal Year 2017	Percentage	Year on year
Sales	2,428	100.0%	2,414	100.0%	99.4%
Cost of sales	951	39.2%	1,017	42.1%	106.9%
Gross profit	1,476	60.8%	1,397	57.9%	94.6%
Selling, general and administrative expenses	929	38.3%	1,038	43.0%	111.8%
Operating income	547	22.6%	358	14.9%	65.5%
Ordinary income	602	24.8%	428	17.7%	71.1%
Quarterly income before income taxes	617	25.4%	489	20.3%	79.2%
Net income this quarter	406	16.7%	332	13.8%	81.9%

(Millions of yen)

Fiscal Year 2016	Percentage	Fiscal Year 2017 (forecast)	Percentage	Year on year
5,105	100.0%	5,800	100.0%	113.6%
1,733	34.0%	1,956	33.7%	112.8%
3,371	66.0%	3,844	66.3%	114.0%
1,984	38.9%	2,225	38.4%	112.1%
1,387	27.2%	1,619	27.9%	116.6%
1,496	29.3%	1,720	29.7%	114.9%
1,528	29.9%	1,720	29.7%	112.5%
1,042	20.4%	1,208	20.8%	115.9%

Sales of main products

	2Q of Fiscal Year 2016	2Q of Fiscal Year 2017	Year on year
Employment Expo	1,128	1,142	101.3%
Asagaku Navi	259	294	113.5%
Intern Jobs	2	17	660.8%
Re-Shukatsu	316	301	95.5%
Recruitment and Dispatch Business	70	94	134.2%
Public-sector products	231	132	57.3%

Fiscal Year 2017 (forecast)
2,600
800
100
1,050
300
260

TOPICS

Orders in May:

127.6%

Cumulative orders

at the end of May: 111.3%

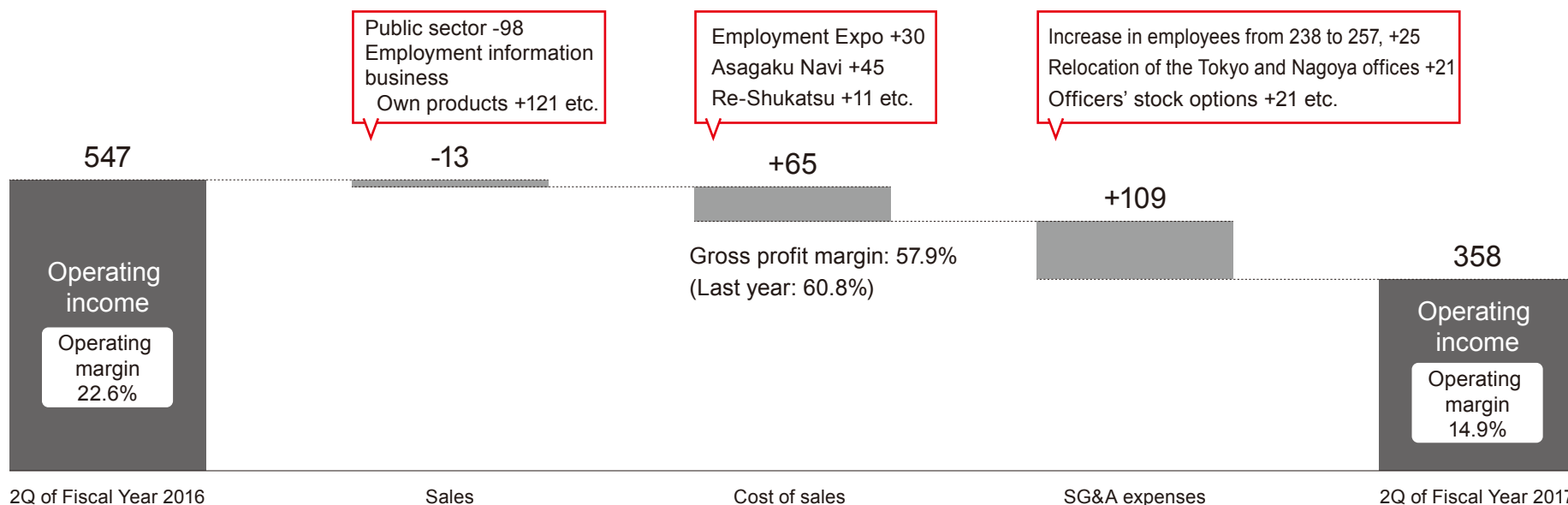
(excluding public sector)

- ◎ Recruitment at an earlier stage by major companies
→ Proposal for next year already started
- ◎ Activation of the companies' movements for additional recruitment after the removal of the selection ban in June
- ◎ Complete revamping of Re-Shukatsu
→ Inquiries from major companies on the rise

Although we are struggling to cope with deviations in the job hunting schedule, the sales of our own products remain steady. Orders in May increased 127.6% year-on-year owing to four strategies that capture corporate needs effectively, and a significant increase in profit is expected in the second half.

- Delivering services [within the framework of the job hunting schedule] alone makes it difficult to cover corporate needs.
- SG&A expenses remain under budget in spite of increased personnel and relocation of offices.
- While sales in the public sector decreased further, sales of our products in the employment information business were solid at 105.8% of last year.

Status of operating income (Millions of yen)



Quarterly balance sheet

(Thousands of yen)

Item	2Q of Fiscal Year 2016	2Q of Fiscal Year 2017	Ref: Fiscal Year 2016
	ASSETS		
Current assets	5,822,472	5,698,143	6,226,960
Fixed assets	4,102,852	4,453,029	4,105,012
Tangible fixed assets	889,962	911,685	877,402
Intangible fixed assets	198,701	208,759	207,943
Investment	3,014,188	3,332,584	3,019,660
Total assets	9,925,325	10,151,173	10,331,972
LIABILITIES			
Current Liabilities	606,110	571,287	772,530
Fixed liabilities	286,871	246,121	260,688
Total liabilities	892,981	817,408	1,033,218
NET ASSETS			
Capital	1,500,000	1,500,000	1,500,000
Capital surplus	3,333,001	3,333,001	3,333,001
Retained earnings	4,350,999	4,895,355	4,774,297
Treasury stock	-217,675	-452,418	-366,989
Total shareholders' equity	8,966,325	9,275,938	9,240,310
Valuation and translation adjustments	47,339	18,050	39,765
Stock acquisition rights	18,678	39,776	18,678
Total net assets	9,032,343	9,333,764	9,298,753
Total liabilities and net assets	9,925,325	10,151,173	10,331,972

Quarterly income statement

(Thousands of yen)

Item	By term	2Q of Fiscal Year 2016		2Q of Fiscal Year 2017		Year on year (%)	Ref: Fiscal Year 2016
		Amount	Percentage (%)	Amount	Percentage (%)		
Sales		2,428,771	100.0	2,414,920	100.0	99.4	5,105,362
Cost of sales		951,891	39.2	1,017,501	42.1	106.9	1,733,383
Gross profit		1,476,879	60.8	1,397,418	57.9	94.6	3,371,978
Selling, general and administrative expenses		929,188	38.3	1,038,731	43.0	111.8	1,984,050
Operating income		547,691	22.6	358,687	14.9	65.5	1,387,927
Non-operating income		59,674	2.5	74,696	3.1	125.2	119,170
Non-operating expenses		4,988	0.2	5,320	0.2	106.7	10,600
Ordinary income		602,377	24.8	428,063	17.7	71.1	1,496,497
Extraordinary income		14,749	0.6	61,007	2.5	413.6	31,964
Extraordinary loss		—	—	—	—	—	—
Quarterly income before income taxes		617,127	25.4	489,071	20.3	79.2	1,528,461
Total income taxes		211,114	8.7	156,595	6.5	74.2	486,119
Quarterly net income		406,013	16.7	332,475	13.8	81.9	1,042,342

Capital efficiency data

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016
Net assets per share (yen)	493.73	581.01	614.52
Net profit per share (yen)	51.63	50.93	68.56
Capital adequacy ratio (%)	85.5	89.7	89.8
ROE (Return on Equity) (%)	11.2	9.6	11.5
ROA (Return on Assets) (%)	15.1	11.9	14.8
PER (Price-Earnings Ratio) (times)	20.2	21.0	16.6

(Ref.) Share price at end of term: Oct. 31, 2014 = 1,045 yen; Oct. 31, 2015 = 1,072 yen; Oct. 31, 2016 = 1,139 yen

2Q

(Millions of yen)

		2Q of Fiscal Year 2016	2Q of Fiscal Year 2017	Year on year
Total for 2Q	Sales	2,428	2,414	99.4%
	Gross profit	1,476	1,397	94.6%
Employment Expo	Sales	1,128	1,142	101.3%
Media magazine	Sales	24	20	85.1%
Asagaku Navi	Sales	259	294	113.5%
Intern Jobs	Sales	2	17	660.8%
Individual products for new graduates	Sales	275	326	118.5%
Public-sector products	Sales	231	132	57.3%
Re-Shukatsu	Sales	316	301	95.5%
Recruitment and Dispatch Business	Sales	70	94	134.2%
Other	Sales	120	84	70.1%

Ref: Sales by product for the full year

(Millions of yen)



Further exploit needs (e.g., holding events in new regions or of industry-specific type)
Proposals for next year have already started.

Japan's largest joint corporate seminar

就職博[®]

Employment Expo



	2Q of Fiscal Year 2016			2Q of Fiscal Year 2017			Cumulative Year on year
	1Q	2Q	Cumulative	1Q	2Q	Cumulative	
Sales (million yen)	333	794	1,128	302	839	1,142	101.3%
Number of times held	17	35	52	20	41	61	117.3%
Held for 1 day	8	18	26	10	25	35	134.6%
Held for 2 days	9	17	26	10	16	26	100.0%
Number of booths	956	2,098	3,054	1,038	2,348	3,386	110.9%

●Number of times held in the year: **127** (Last year: 111) **Increase of 6 from 1Q**

TOPICS

Sponsored by the Bank of Tokyo-Mitsubishi UFJ
A new type of joint corporate seminar held

Premium Joint Corporate Seminar where you can meet growing and well-performing companies based in the Kansai region

Thursday, April 20, at HERBIS Hall



Sales remain steady following the enhancement of the matching function, which utilizes AI, LINE@ chat and contributed to 3Q performance owing to the apportionment of sales over terms.

Safe website to find employment, which is “just right” for everyone

あさがくナビ®

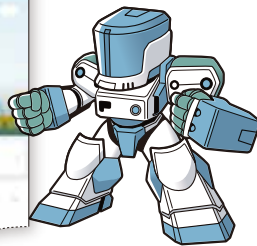
Asagaku Navi



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	2Q of Fiscal 2016	2Q of Fiscal 2017	Year on year
Sales (million yen) (Intern Jobs not included)	259	294	113.5%
Sales deferred to 3Q (million yen)	213	235	110.4%

While the number of listed companies has increased, the listing period is on a shortening trend. After a complete revamping in June, corporate needs have significantly increased.

No.1 career change site (for job seekers in their 20s)

Re就活®

Re-Shukatsu

Significant increase

Orders in May:
177.4%
Year on year

Participant companies (partial) at time of a complete revamping in June:
H.I.S., Daihatsu Motor, DMG MORI, KADOKAWA, AISIN AW, HORIBA, Tokyo Metropolitan Government, Kyoto City, and others currently listed.
(Company, Company Limited, etc., not shown)



▲Top page of PC version



▲Tokyo Metropolitan Government



▲H.I.S.

	2Q of Fiscal 2016	2Q of Fiscal 2017	Year on year
Sales (million yen)	316	301	95.5%
Listed companies (As of end of April)	245 companies	285 companies	116.3%

Significant acceleration in delivering services of new graduate recruitment. With increased staff, further expansion is expected in the second half.

Recruitment Business

	2Q of Fiscal Year 2016	2Q of Fiscal Year 2017	Cumulative Year-on-year	
Sales (million yen)	70	94	134.2%	
Gross profit (million yen)	59	85	143.5%	
Number of recruited persons	Total	122	191	156.6%
	New graduates	51	70	137.3%
	Mid-careers	71	121	170.4%
Number of staff (persons)	13	19	146.2%	



▲ Increased floor space for counseling booths (Tokyo Headquarters)

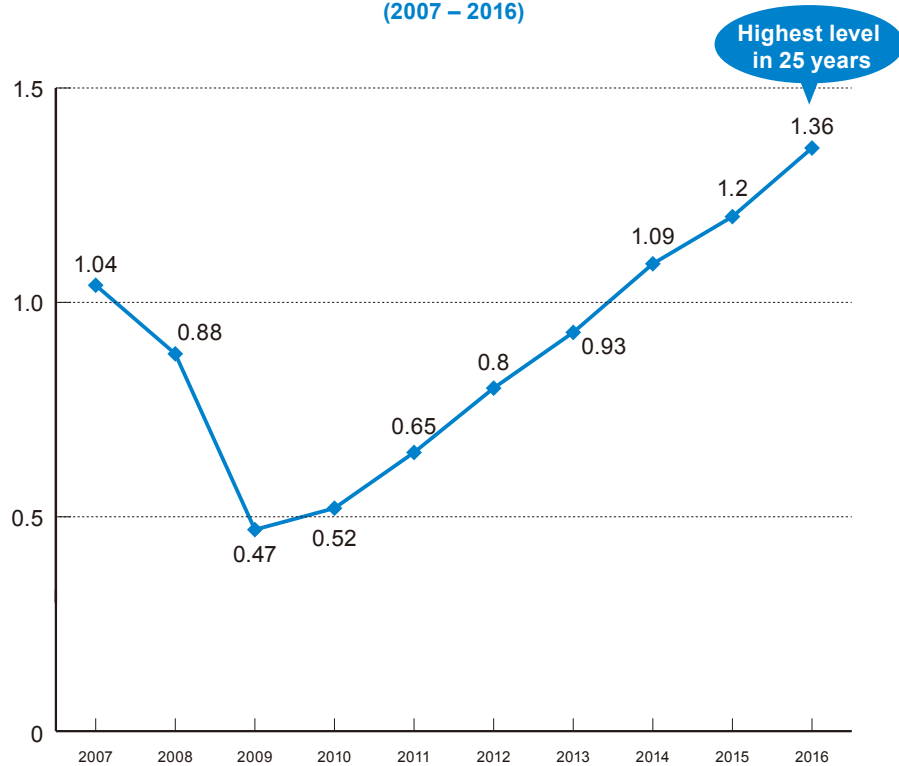


▲ Increased floor space for counseling booths (Tokyo Headquarters)

The market environment continues to be strongly positive → Further increasing difficulty in employing new graduates

Effective opening-to-application ratio

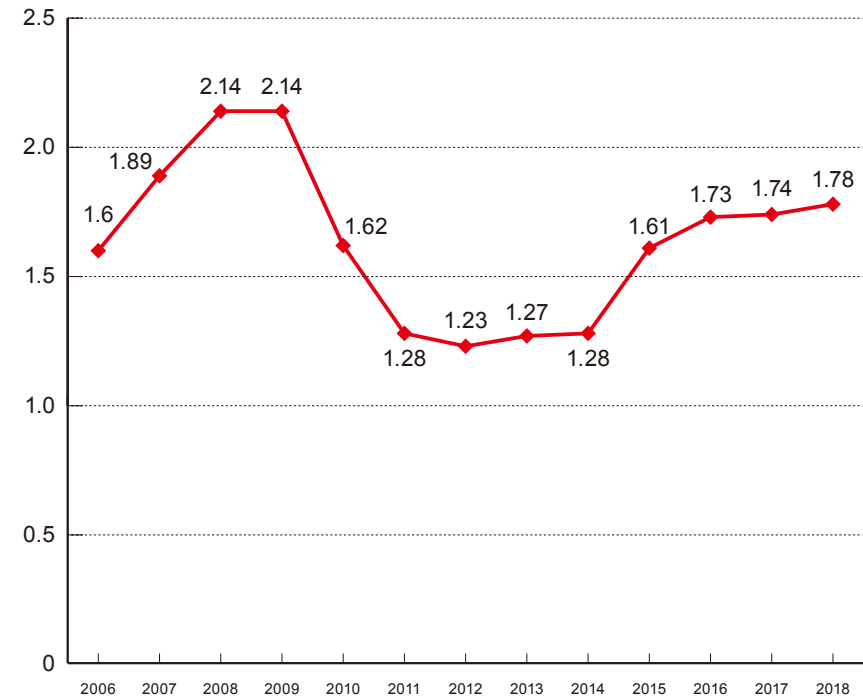
(2007 – 2016)



Source: Ministry of Health, Labour and Welfare

University graduate job opening-to-application ratio:
Increase for six consecutive years to the high level seen before the Lehman Shock

(2006 – 2018)



Source: Recruit Works Institute

1 Internship Area – Respond to needs that are activated at an early stage

- ➔ Expand sales of events for new graduates in 2019
- ➔ Expand sales of Intern Jobs

Internship Special Lecture for market development and information provision held (May)
 Sales promotion event that connects 2,000 companies and 300 universities in Tokyo, Nagoya and Osaka (held for the first time in the year)

Respond quickly to needs of accelerating activation

Strengthen approach to companies that are outside the job-hunting schedule



2 Secondary Area

- Secure the second wave and the third wave of new graduates in 2018.
- ➔ Respond to needs for additional recruitment arising from a high rate and early pace of unofficial job offers.

Mid-May rate of early unofficial job offers National and public Humanities: 32.2% (Last year: 27.0%)
 Private Humanities: 35.9% (Last year: 29.9%) Science: 38.6% (Last year: 28.8%)

From late May onwards Successive declinations for unofficial job offers or selections ➔ Number of booths at the Employment Expos: **121.6%**
 (to be held between late May and early June)

3 Re-Shukatsu Area

– Acquire needs for recruitment of Young Careers through complete revamping

- ➔ Strengthen scouting from companies
- ➔ Mailing function to increase its opening rate in a messenger format
- ➔ Improve searchability for job applicants in terms of recruitment by job category
- ➔ Increase unit price by setting the posting fee as per recruitment region
- ➔ Reinforce sales staff from each regional sales office to the Tokyo Headquarters

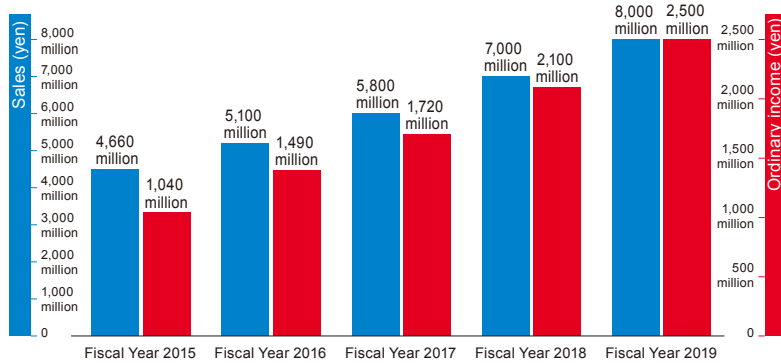


4 Recruitment Area

– Enhance manpower and sales tools and increase the pace of job offers

- ➔ Continue to increase staff in the recruitment business
End of previous term: 15 ➔ Current strength: 20
- ➔ Challenges in the international student recruitment business
 - Employment of international student staff ➔ Start approaching corporations and universities
- ➔ Create a sales promotional site

Medium-term management plan

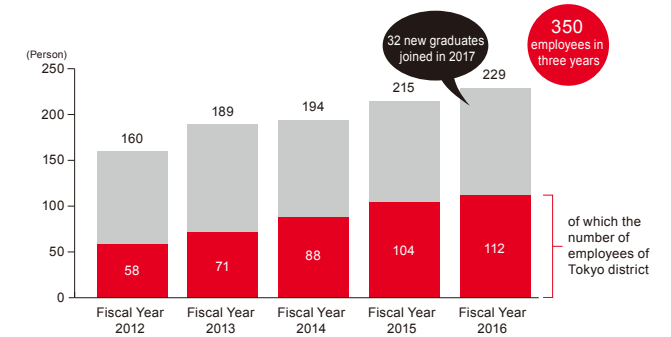


- POINT**
- Expand market share in the Tokyo metropolitan area – Relocate to Ginza and increase floor space in November 2016
 - Enhance the development of new services
 - (1) Recruitment Business (2) Intern Jobs
 - Increase employees to 350 in three years
 - Expand new bases and strengthen global services
 - Expand the scope of business tie-up with the Asahi Shimbun

[Composition of sales of 8 billion yen (rough calculation)]

Employment Expo	3.0 billion yen	Recruitment business	1.0 billion yen
Asagaku Navi	1.5 billion yen	Public sector	0.5 billion yen
Re-Shukatsu	2.0 billion yen	Individual services of new graduates and others	0.5 billion yen
Intern Jobs	0.5 billion yen		

Changes in the number of employees



Business domains

GAKUJO Co., Ltd.

Gakujo's Strong Points

- Entered into a capital and business tie-up agreement with the Asahi Shimbun and Asahi Gakusei Shimbunsha
- No.1 specialist in employment information for new graduates
No.1 Internet information service for those in their 20s who are trying to find employment or change their career
- Possession of data on more than 400,000 new graduates on a yearly basis
- Wide range of corporate customers numbering approximately 3,000
- Good reliability due to acquisition of Privacy Mark ahead of competitors in same industry
- Unique ability to develop products such as **あさかくナビ** (Asagaku Navi), **Re就活** (Re-Shukatsu), **就職博** (Employment Expo), and **インターン・ジョブズ** (Intern Jobs)
- Steady management attaching importance to cash flow
- Wide-ranging results in the fields of development of public human resources and employment support
Ministry of Economy, Trade and Industry; Ministry of Agriculture, Forestry and Fisheries; Ministry of Education; Cabinet Office; Small and Medium Enterprise Agency; Three Tokyo Local Bar Associations; Tokyo Metropolitan Government; Osaka City ... And others
- Creditworthiness ensured with support from Asahi Broadcasting Corporation and Sky-A



Renewed 10 times most in the industry

Corporate outline and history

GAKUJO Co., Ltd.

Corporate Outline

Name of corporation: GAKUJO Co., Ltd.
 Established: November 1977
 CEO: Kiyokazu Nakai
 Capital: 1,500,000,000 yen
 Number of employees: 257 *Including 251 regular employees (as of April 30, 2017)
 Offices: Osaka, Tokyo, Nagoya, Kyoto and Fukuoka



Moved in October 2016

Moved in November 2016

History

- November 1977 Established "Mitaka Kikaku (predecessor of GAKUJO)" in Kita-ku, Osaka.
- March 1983 Support was obtained from Asahi Broadcasting Corporation in the Employment Information Division.
- August 1989 The Tokyo Branch was established in Chuo-ku, Tokyo.
- October 1990 The Nagoya Branch was established in Naka-ku, Nagoya.
- November 1998 Authorized by the Japan Information Processing Development Center under the control of the Ministry of International Trade and Industry (now Ministry of Economy, Trade and Industry) to use the "Privacy Mark."
Authorized as a private employment agency by the Ministry of Labour (now Ministry of Health, Labour and Welfare).
Trade name was changed to "GAKUJO Co., Ltd."
GAKUJO was listed on JASDAQ Market.
Authorized as a temporary-employment agency by the Ministry of Health, Labour and Welfare.
- July 1999 Head office building was constructed at Umeda 2-chome, Kita-ku, Osaka.
- November 2003 The Tokyo Headquarters moved to Yurakucho, Chiyoda-ku, Tokyo.
- July 2004 The Kyoto Branch was established in Shimogyo-ku, Kyoto.
- February 2005 Moved the Nagoya Branch Office to Sakae, Naka-ku, Nagoya.
- September 2005 Listed on the Second Section of the Tokyo Stock Exchange.
- October 2006 Listed on the First Section of the Tokyo Stock Exchange.
- April 2010 Moved the Tokyo Headquarters to Akasaka, Minato-ku, Tokyo.
- July 2011 Joined the Japan Business Federation.
- March 2012 Moved the Nagoya Branch Office to Shinsakae-machi, Naka-ku, Nagoya.
- January 2013 Entered into a capital and business tie-up agreement with the Asahi Shimbun and Asahi Gakusei Shimbunsha.
- November 2013 Opened the Fukuoka Sales Office in Hakata-ku, Fukuoka.
- March 2014 Moved the Tokyo Headquarters to Toranomon, Minato-ku, Tokyo.
- May 2015 Hands-on internship matching service
Start of distributing "Asagaku Navi Intern Jobs"
- March 2016 Start of distributing English version of "Asagaku Navi Intern Jobs"
- October 2016 Moved Nagoya Branch Office to Sakae, Naka-ku, Nagoya
- November 2016 Moved the Tokyo Head Office to Ginza, Chuo-ku
- January 2017 Renamed the Tokyo Head Office as "Tokyo Headquarters" to join the Osaka Headquarters in a dual headquarters structure.