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# Financial Results Presentation

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Fiscal year ended October 2015 (38th Term)

**Goals for 39th term: Achieve record-high sales and profit**

December 2015



TSE, 1st Section (Code: 2301)

## Fiscal Year 2015 (November 2014 to October 2015)

	Fiscal Year 2014	Percentage	Fiscal Year 2015	Percentage	Year on year
Sales	4,020	100.0%	4,660	100.0%	115.9%
Cost of sales	1,970	49.0%	1,918	41.2%	97.3%
Gross profit	2,049	51.0%	2,742	58.8%	133.8%
Selling, general and administrative expenses	1,164	29.0%	1,823	39.1%	156.7%
Operating income	885	22.0%	918	19.7%	103.7%
Ordinary income	1,007	25.1%	1,047	22.5%	103.9%
Income before income taxes	1,069	26.6%	1,150	24.7%	107.6%
Net income	648	16.1%	745	16.0%	114.8%

## (Millions of yen)

Fiscal Year 2016 Full-Year (Forecast)	Percentage
5,200	100.0%
1,917	36.9%
3,283	63.1%
1,978	38.0%
1,305	25.1%
1,400	26.9%
1,400	26.9%
954	18.3%

## Fourth quarter (August to October 2015)

	4Q of Fiscal Year 2014	Percentage	4Q of Fiscal Year 2015	Percentage	Year on year
Sales	1,058	100.0%	1,207	100.0%	114.1%
Cost of sales	495	49.0%	403	33.5%	81.5%
Gross profit	562	51.0%	803	66.5%	142.8%
Selling, general and administrative expenses	335	29.0%	605	48.5%	180.7%
Operating income	227	22.0%	197	18.1%	86.8%
Ordinary income	256	25.1%	220	19.9%	85.9%
Income before income taxes	285	26.6%	220	19.9%	77.2%
Net income	176	16.1%	151	11.2%	86.2%

## TOPICS

With regards to our operating activities so far in the term ending October 2016, there has been intensified recruitment of students who will graduate in March 2016 and a pushing back of schedules for screening new candidates. This has meant that some small and medium-sized enterprises are being forced to continue their recruitment activities even after November. Hence, we are continuing to see an increase in the number of inquiries we receive, centered on those made at the Employment Expo.

In addition, with regards to the recruitment of students who will graduate in March 2017, we are deploying proposal activities that can more promptly and accurately determine the needs of companies that are trying to actively expand. As a result, **the number of inquiries we have received has risen about 1.3 times compared with the same period of last year, and the number is remaining firm.**

**Sales of our products have grown over 35%, posting a record high.  
Aiming to achieve another record high during this term.**

**■ Breakdown: our products 135.9%, public sector products 64.3%, overall net sales 115.9%.**

By reducing our large consignment business and focusing our workforce on in-house product sales, overall sales excluding those of public sector products were 3,937 million yen (2,896 million yen in the same period of the previous year), an increase of 35.9%. Sales of public sector products were 722 million yen, which was almost the expected figure.

**■ “Employment Expo” went very well with 5,738 booths at the end of the term, the unit price also followed an improving trend.**

The number of times we held Employment Expo increased to 90 times at the end of the term, up from 84 times at the start of the term (75 times at the end of the last term). There were 5,738 booths, up 43.3% year on year, and this demonstrated the high appeal of our products. Unit price has also improved by 1.9%, and inquiries relating to next year are already going steady.

**■ Reserve for pension assets increased as a result of recalculating it and also SG & A expenses remained in line with the budget.**

As a result of recalculating the reserve for pension assets, which is done once every 5 years, the number of employees increased and the retention rate improved. This meant that retirement benefit costs came to 77 million yen, and also SG & A expenses remained in line with the budget. Last year, we had already assumed retirement benefit costs would increase from the beginning of the term due to personnel expenses that had been recorded as a cost of public sector products.

**■ Another change of schedule in the job hunting season meant number of inquiries in 1Q was also up year on year.**

In the job hunting schedule that has just been changed this year, we forecast that major companies will shift the start of their screening to June from August. Hence, each company will be forced to re-examine their recruitment plan. The number of inquiries we received from June to August at the Employment Expo increased after we issue reports. Hence, the number of inquiries we receive stayed firm, up about 1.3 times year on year.

## Balance sheet and income statement

GAKUJO Co.,Ltd.

### Balance sheet

(Thousands of yen)

Item	Fiscal Year 2014	Fiscal Year 2015	Year on year (%)
<b>ASSETS</b>			
Current assets	4,725,335	6,218,513	131.6
Fixed assets	3,028,983	3,686,481	121.7
Tangible fixed assets	916,199	898,734	98.1
Intangible fixed assets	140,202	189,260	135.0
Investment	1,972,580	2,598,486	131.7
<b>Total assets</b>	<b>7,754,318</b>	<b>9,904,995</b>	<b>127.7</b>
<b>LIABILITIES</b>			
Current Liabilities	811,849	705,874	86.9
Fixed liabilities	295,385	297,994	100.9
<b>Total liabilities</b>	<b>1,107,234</b>	<b>1,003,869</b>	<b>90.7</b>
<b>NET ASSETS</b>			
Capital	1,500,000	1,500,000	100.0
Capital surplus	2,274,274	3,333,001	146.6
Retained earnings	3,715,032	4,128,441	111.1
Treasury stock	-963,413	-144,719	15.0
<b>Total shareholders' equity</b>	<b>6,525,892</b>	<b>8,816,723</b>	<b>135.1</b>
Valuation and translation adjustments	103,920	65,725	63.2
Stock acquisition rights	17,271	18,678	108.1
<b>Total net assets</b>	<b>6,647,084</b>	<b>8,901,126</b>	<b>133.9</b>
<b>Total liabilities and net assets</b>	<b>7,754,318</b>	<b>9,904,995</b>	<b>127.7</b>

### Income statement

(Thousands of yen)

Item	By term	Fiscal Year 2014		Fiscal Year 2015		Year on year (%)
		Amount	Percentage (%)	Amount	Percentage (%)	
Sales		4,020,705	100.0	4,660,208	100.0	115.9
Cost of sales		1,970,746	49.0	1,918,330	41.2	97.3
Gross profit		2,049,959	51.0	2,742,228	58.8	133.8
Selling, general and administrative expenses		1,164,189	29.0	1,823,746	39.1	156.7
Operating income		885,770	22.0	918,481	19.7	103.7
Non-operating income		136,380	3.4	139,083	3.0	102.0
Non-operating expenses		14,224	0.4	10,285	0.2	72.3
Ordinary income		1,007,926	25.1	1,047,279	22.5	103.9
Extraordinary income		64,008	1.6	102,798	2.2	160.6
Extraordinary loss		2,706	0.1	—	—	—
Income before income taxes		1,069,227	26.6	1,150,078	24.7	107.6
Total income taxes		420,382	10.5	405,027	8.7	96.3
Net income		648,845	16.1	745,051	16.0	114.8

### Analysis of financial data

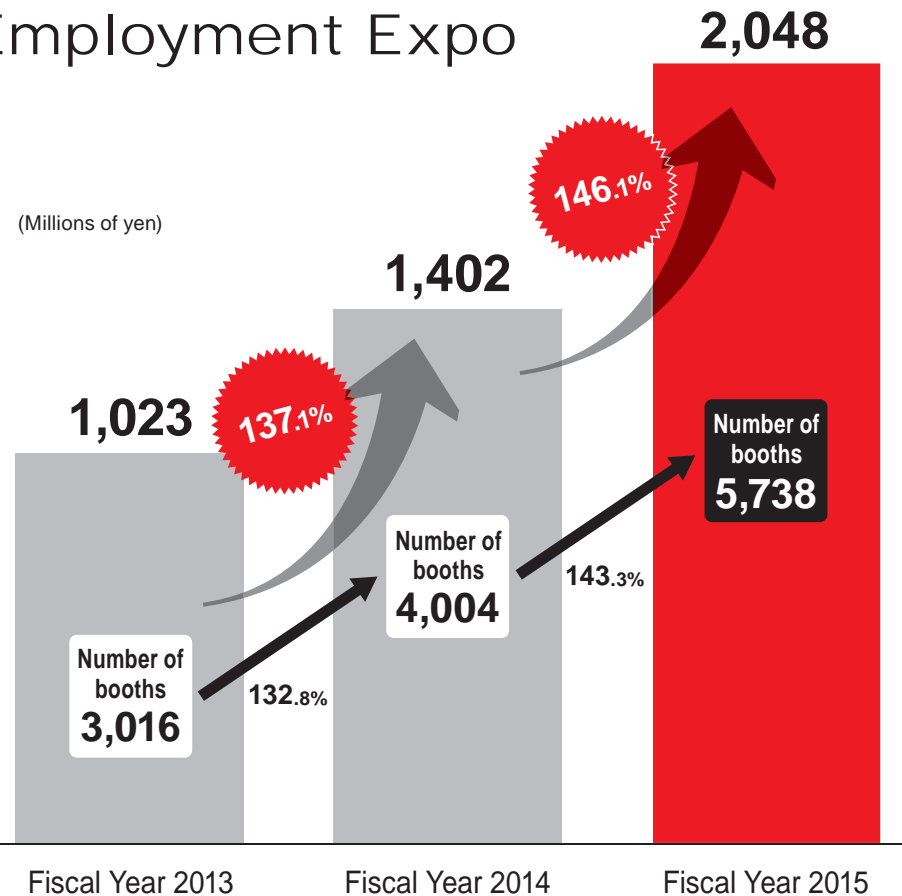
	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015
Net assets per share (yen)	403.77	493.73	581.01
Net profit per share (yen)	18.75	51.63	50.93
Capital adequacy ratio (%)	88.5	85.5	89.7
Current ratio (%)	503.8	582.1	880.97
ROE (Return on Equity) (%)	4.7	11.2	9.6
ROA (Return on Assets) (%)	6.7	15.1	11.9
PER (Price-Earnings Ratio) (times)	49.5	20.2	21.0

(Ref.) Share price at end of term: Oct. 31, 2013 = 927 yen; Oct. 31, 2014 = 1,045 yen; Oct. 31, 2015 = 1,072 yen

Great increase in both number of times of holding Employment Expo and number of booths. Aiming to increase number of times in the next term also.

# 就職博®

Employment Expo



● Number of times tickets sold out

Fiscal Year 2013    Fiscal Year 2014    Fiscal Year 2015  
 7 times → 15 times → 30 times

● Fiscal Year 2014 Held 75 times

Fiscal Year 2015  
 Initial plan was to hold it 84 times

Final result was 90 times

Fiscal Year 2016  
 Initial plan is to hold it 102 times

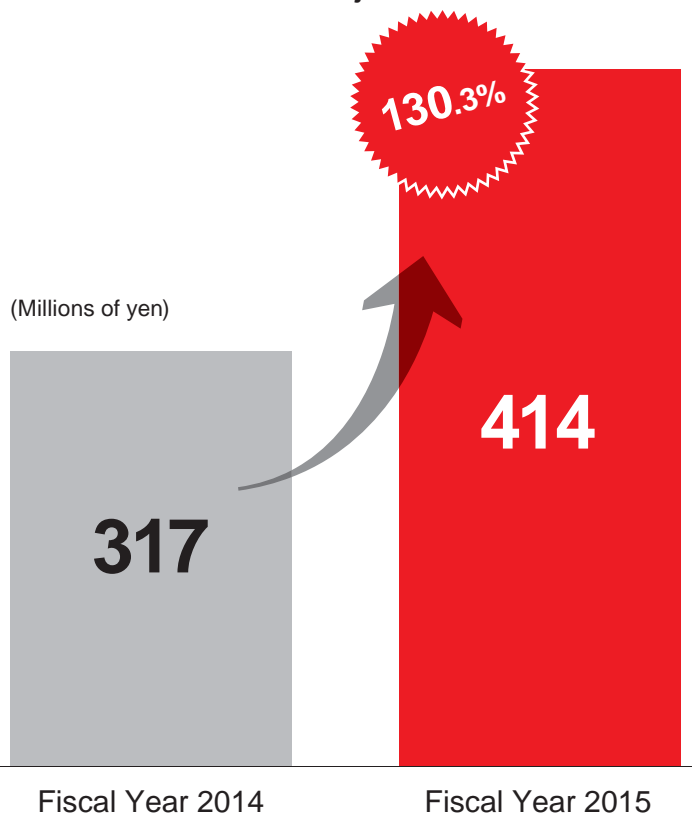
Strong performance from the grand opening. Aiming to further increase sales for the 2017 season.

# あさぐナビ

朝日学情ナビ® 2016

Asagaku Navi

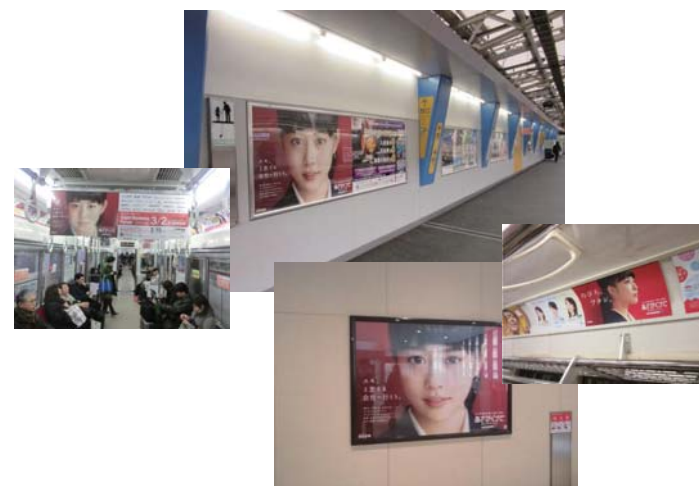
Asahi Gakujo Navi 2016



- Feature 1 We have greatly differentiated our site from others, eliminating bulk entry of players.
- Feature 2 Showing on a balloon information that makes employers feel "I want to meet this job seeker."
- Feature 3 Unique search leads: "level of expectation for growth."
- Feature 4 Further strengthening the linkage with the event. "Realizing matching with a high degree of aspiration."



Highly rated by both universities and companies



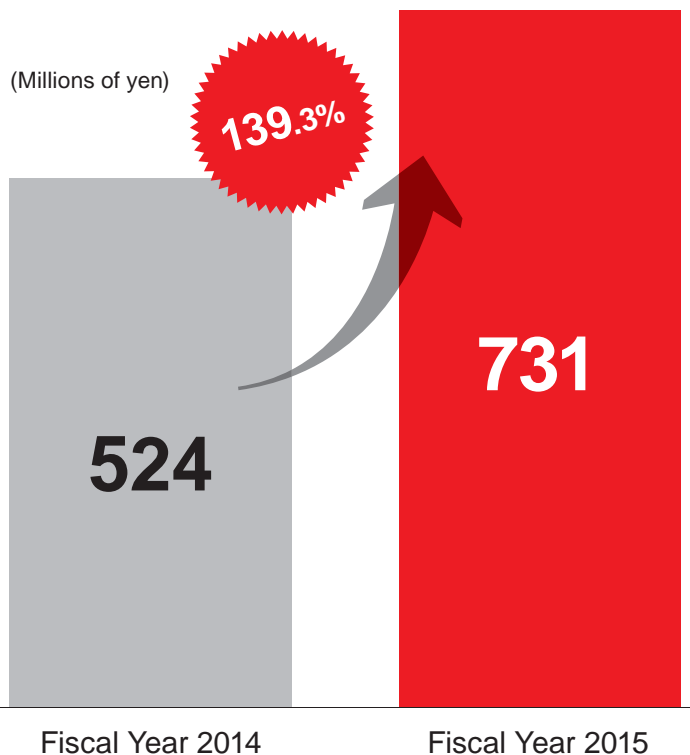
Ongoing needs, with strong demand to employ young people and increasing difficulty of employing new graduates.

Aiming to further expand, in line with the government's policy of having "100 million people actively working."

Site to support those in their 20s who are trying to find employment or change their career



(Millions of yen)



POINT

Following on from Asagaku Navi 2017, we plan to introduce a recommendation-type matching system that uses artificial intelligence (AI).

- Needs are currently expanding, with increasing and ongoing difficulty of employing those who will newly graduate in 2016.
- Figures of 191.6% year-on-year in the Tokai region and 140.0% in the Kansai region, show that even in areas outside the Tokyo metropolitan area there are increasing needs to employ young adults.

Latest data (October 2015)

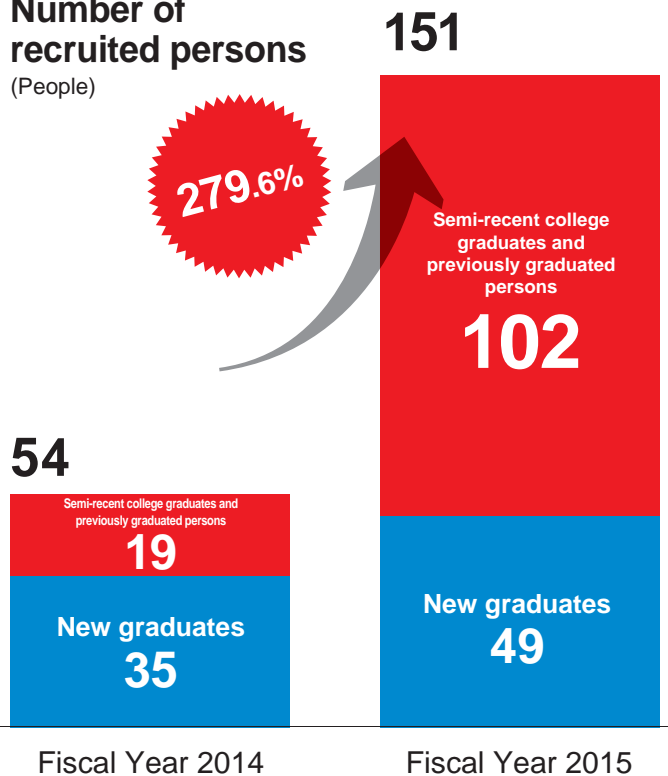
Monthly net increase in membership	108.3% (Year on year)
Monthly number of entrants	108.8% (Year on year)



The number of young adults who have found employment has increased, and from now on we will further strengthen our service for recruitment of new graduates.

# Recruitment Business

Number of recruited persons  
(People)



POINT

At last, also implementing a function in “Asagaku Navi” that lets people register their desire to be recruited!

- Number of people who have registered for Re-Shukatsu **32,050**
- Enhancing the number of operating staff  
End of previous term 2 people → **10 people** [Tokyo, 5  
Osaka, 5]
- Increasing the counseling space  
Greatly increasing the number of counselees on the first floor of our headquarters  
(Roughly double when the traditional counseling space on the second floor of the headquarters is included)
- Increasing the number of requests with our company-wide sales system  
End of previous term 166 cases → End of Oct. **435 cases**

No. of inquiries is on the rise





## TOPICS

With ongoing inquiries from overseas organizations, this term we will finally make a big leap forward.

# あさかくナビ インターン・ジョブズ® Intern Jobs

Starts on May 27!

## Asagaku Navi Intern Jobs

Companies listed (sample)

Registrants have found employment one after another in organizations such as the following: Organization for Economic Co-operation and Development (OECD), United Nations Development Programme (UNDP), International Monetary Fund (IMF), Save the Children Japan, UBS Securities, Societe Generale Securities, United Nations Industrial Development Organization (UNIDO), Médecins du Monde, Maker's Shirt Kamakura, Terra Motors, and others!



▲Médecins du Monde

▲Save the Children Japan

▲UBS Securities

▲Societe Generale Securities

▲United Nations Industrial Development Organization (UNIDO)

▲Maker's Shirt Kamakura

### Background

Change to the start of job hunting means that there are increasing needs for prior contact with applicants

Environment in which it is becoming more difficult to secure young workers, part-timers and those doing a side job

Growing needs for career education to foster vocational outlook in students



### Proposal

Implementing "paid internship" that is different from the existing internship, part-time jobs



### Points

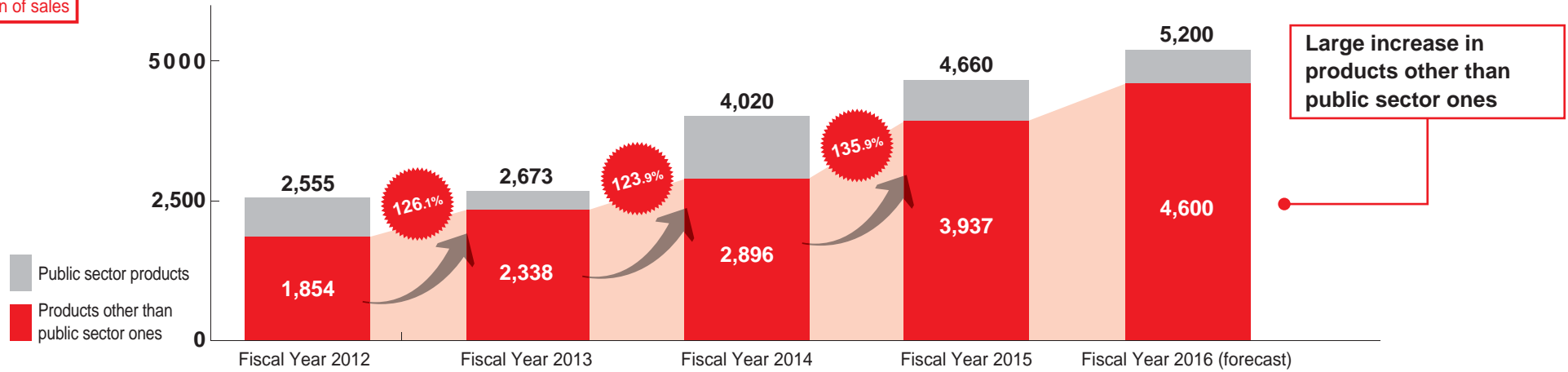
1. Covering a wide range of students from all years of study, and not only those about to start job hunting activities
2. Our staff and current students take part in planning and running the system
3. Increased rate of matching for both companies and students with "I'm interested!" search
4. Two types of cost plan to suit your needs: "billing at employment" and "billing during posting"

### TOPICS

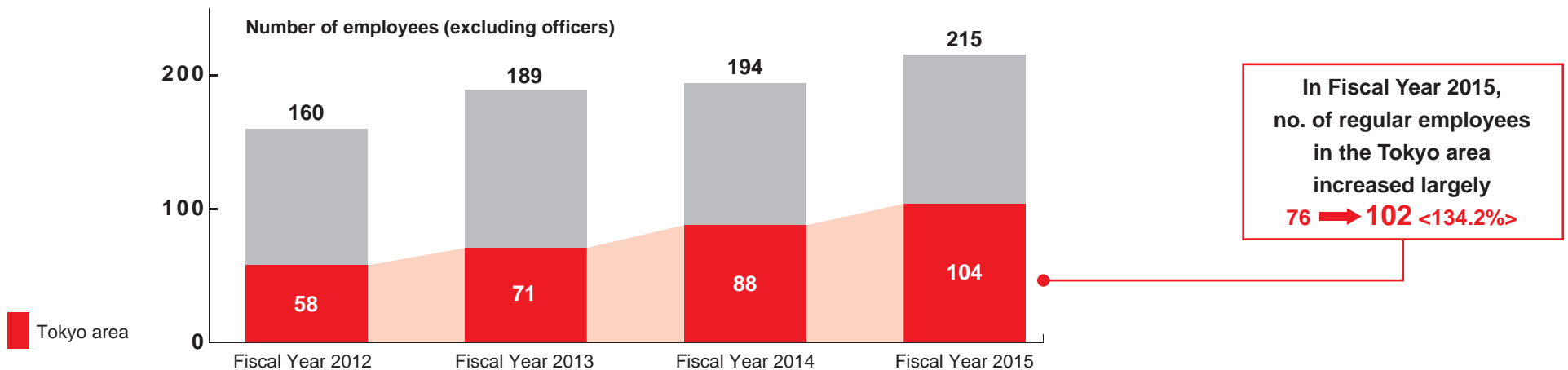
- 82.4% of the members are 18 to 20 years old
- 67.8% of Kanto members are GMARCH or higher  
65.3% of Kansai members are four leading private universities (Kwansei Gakuin University, Kansai University, Doshisha University, and Ritsumeikan University) or higher  
Attention is being placed on by highly skilled human resources
- Other than the companies listed, international organizations are also examining using our system one after another
- Events to enlighten students are also held from time to time

**By focusing on selling our own products, profitability is increasing every year.**

Breakdown of sales



**Number of employees is also increasing steadily. We are continuing to ensure that we secure human resources in the Tokyo metropolitan area.**



Equipped with new features, we aim to create a site that places even more importance on matching accuracy.

# あさがくナビ

朝日学情ナビ® 2017

Asagaku Navi

Asahi Gakujo Navi 2017

POINT

Recommendation-type matching system that uses artificial intelligence (AI)

- While continuing to use Mitsuki Takahata as our image character, we are also further enhancing the content made in cooperation with the Asahi Shimbun
- Unique search leads
  - Search with growth keywords
  - Search with work images
  - Search for companies that utilize their employees' abilities
- Introducing a dedicated app to enhance the attraction of Employment Expo
  - 62.4% of users access via a mobile device (49.3% last year)

We are promoting the three principles of employment — “inform,” “meet,” and “let them do as they like” — by strengthening the linkage between the web and events.



She has been decided as the heroine of NHK's morning TV drama series "Toto nee-chan" from next April!



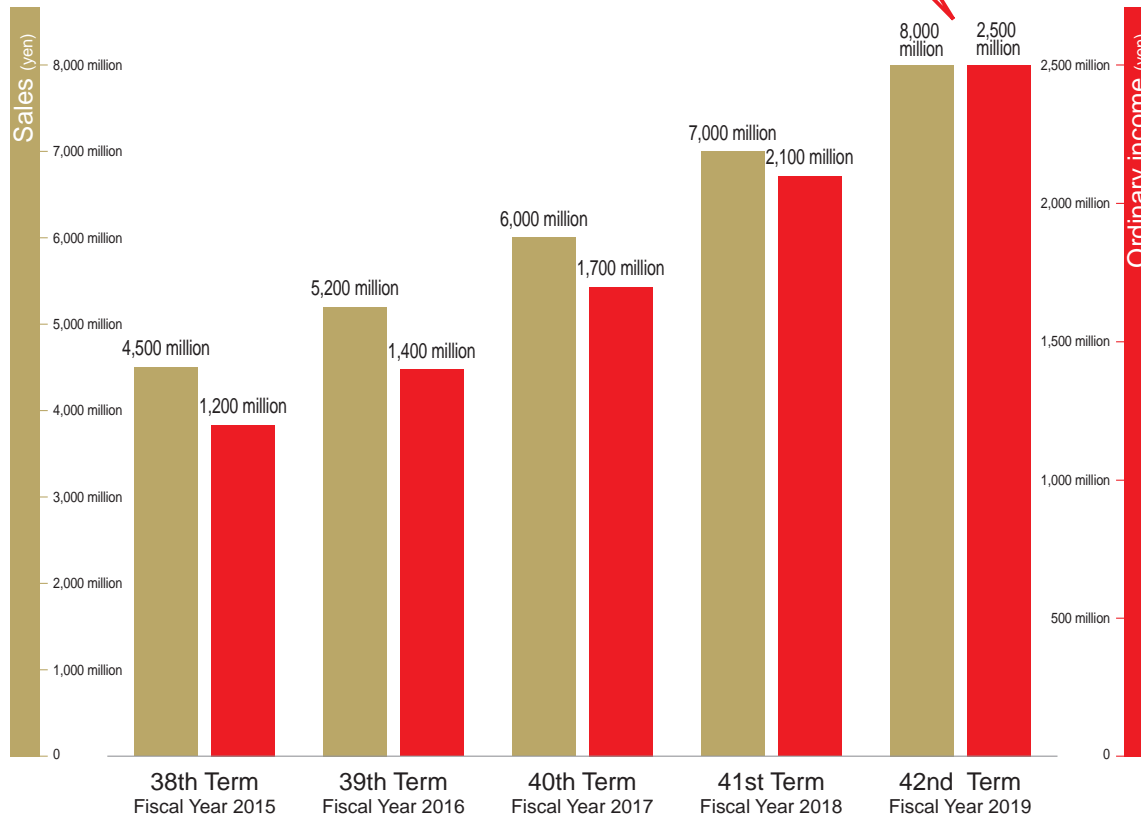
▲ Conceptual image of recommendations on Asagaku Navi's top page



▲ Dedicated app

## Medium-term management plan

- Further strengthening the Kanto region
- Creating and expanding new services such as Intern Jobs
- Increasing the product competitiveness of Asagaku Navi and Re-Shukatsu
- Further focusing on the recruitment business... and others



## Dividends

### Basic Policy on Profit Distribution

We believe that returning profits to all shareholders is an important management issue. But we also emphasize the need for a good balance between this and internal reserves that are required for investments in growth, such as those for maximizing corporate value and developing human resources and new businesses that are essential for future business expansion. And our basic policy is to return surplus funds to shareholders as much as possible after taking into account the state of our cash flow and securing internal reserves, while considering that balance.

#### TOPICS


For the 39th term, the interim dividend was 14 yen and we plan to pay a year-end dividend of 14 yen, making for a total annual dividend of 28 yen.

### Transitions in dividend

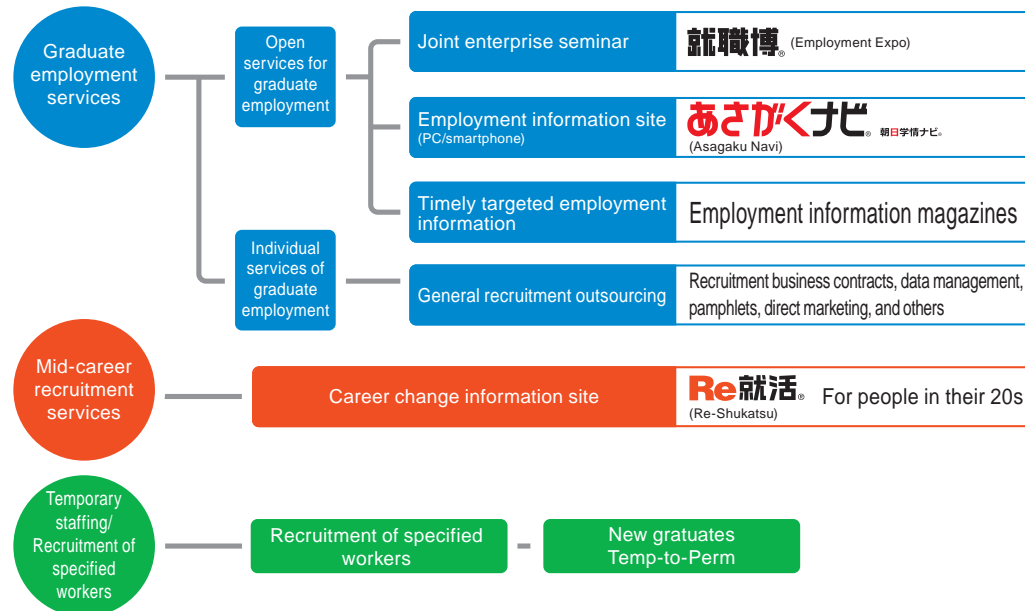
Settlement period	Interim dividend (yen)	Year-end dividend (yen)	Annual dividend (yen)	Dividend payout ratio (%)
Fiscal Year 2010 (33rd term)	5	5	10	95.6
Fiscal Year 2011 (34th term)	5	5	10	106.7
Fiscal Year 2012 (35th term)	5	5	10	133.4
Fiscal Year 2013 (36th term)	5	5	10	53.3
Fiscal Year 2014 (37th term)	5	11	16	31.0
Fiscal Year 2015 (38th term)	12	12 (planned)	24 (planned)	47.1 (planned)
Fiscal Year 2016 (39th term)	14 (planned)	14 (planned)	28 (planned)	44.9 (planned)

## Business domains

### Gakujo's Strong Points

- Entered into a capital and business tie-up agreement with the Asahi Shimbun and Asahi Gakusei Shinbunsha
- 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 Renewed 9 times most in the industry 
- Development capabilities with a lot of originality including services such as **あさかくナビ** (Asagaku Navi), **Re就活** (Re-Shukatsu), **就職博** (Employment Expo), **excellence** (excellence) and **インターン・ジョブズ** (Intern Jobs)
- Steady management attaching importance to cash flow
- Strong in the areas of development of public human resources and support for employment  
Ministry of Economy, Trade and Industry; Ministry of Agriculture, Forestry and Fisheries; Ministry of Education, Culture, Sports, Science and Technology; Cabinet Office; Small and Medium Enterprise Agency; Japan Chamber of Commerce and Industry; Tokyo Bar Association ... and others
- Creditworthiness ensured with support from Asahi Broadcasting Corporation and Sky-A

### Employment Information Business



## Corporate outline and history

### Corporate Outline

Name of corporation:	GAKUJO Co., Ltd.
Established:	November 1977
CEO:	Kiyokazu Nakai
Capital:	1,500,000,000 yen
Number of employees:	215 *Including 209 regular employees (as of October 31, 2015)
Offices:	Osaka, Tokyo, Nagoya, Kyoto and Fukuoka

### 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."
July 1999	Authorized as a private employment agency by the Ministry of Labour (now Ministry of Health, Labour and Welfare).
April 2000	Trade name was changed to "GAKUJO, Co., Ltd."
May 2002	GAKUJO was listed on JASDAQ Market.
August 2002	Authorized as a temporary-employment agency by the Ministry of Health, Labour and Welfare.
November 2003	Head office building was constructed at Umeda 2-chome, Kita-ku, Osaka.
July 2004	The Tokyo Headquarters moved to Yurakucho, Chiyoda-ku, Tokyo.
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 Shinbunsha.
November 2013	Opened the Fukuoka Sales Office in Hakata-ku, Fukuoka.
March 2014	Moved the Tokyo Headquarters to Toranomon, Minato-ku, Tokyo.



▲ Osaka Headquarters (Umeda, Kita-ku, Osaka)



▲ Nagoya Branch Office (Shinsakae-machi, Naka-ku, Nagoya)



▲ Kyoto Branch Office (Shimogyo-ku, Kyoto)



▲ Tokyo Head Office (Toranomon, Minato-ku)



▲ Fukuoka Sales Office (Hakata-ku, Fukuoka)