



Re-Shukatsu promotion image character: Ryunosuke Kamiki

# Financial Results Presentation

2nd quarter Term ending October 2018 (41st term)

Grasping the arrival of the age of “year-round recruitment for people in their 20s”

TSE, 1st Section (Code: 2301)

June 2018

GAKUJO Co., Ltd.

## Performance in 2Q of this fiscal year

**Sales and profit have increased significantly, driven by “Re-Shukatsu”**  
**We are aiming for further increases in income and profits with TV commercials and other large-scale promotions from May.**

### Digest of income statement

(Millions of yen)

	2Q of fiscal 2017	Percentage (%)	2Q of fiscal 2018	Percentage (%)	Year on year (%)
Sales	2,414	100.0	2,818	100.0	116.7
Cost of sales	1,017	42.1	1,145	40.7	112.6
Gross profit	1,397	57.9	1,672	59.3	119.7
Selling, general and administrative expenses	1,038	43.0	1,093	38.8	105.2
Operating income	358	14.9	579	20.6	161.5
Ordinary income	428	17.7	643	22.8	150.3
Quarterly net income before income taxes	489	20.3	643	22.8	131.5
Quarterly net income	332	13.8	439	15.6	132.1

	Full term of fiscal 2017	Percentage (%)	Full term of fiscal 2018 (forecast)	Percentage (%)	Year on year (%)
Sales	5,620	100.0	6,200	100.0	110.3
Cost of sales	2,045	36.4	2,200	35.5	107.6
Gross profit	3,574	63.6	4,000	64.5	111.9
Selling, general and administrative expenses	2,172	38.7	2,300	37.1	105.9
Operating income	1,401	24.9	1,700	27.4	121.3
Ordinary income	1,522	27.1	1,800	29.0	118.3
Quarterly net income before income taxes	1,592	28.3	1,800	29.0	113.0
Quarterly net income	1,220	21.7	1,240	20.0	101.6

### Sales of main products

	2Q of fiscal 2017	2Q of fiscal 2018	Year on year (%)
Employment Expo	1,142	1,192	104.4
Asagaku Navi	294	262	89.0
Re-Shukatsu	301	418	138.5
Recruitment	94	129	136.8
Public-sector products	132	308	232.8

Full term of fiscal 2018 (forecast)
2,630
750
1,150
300
510

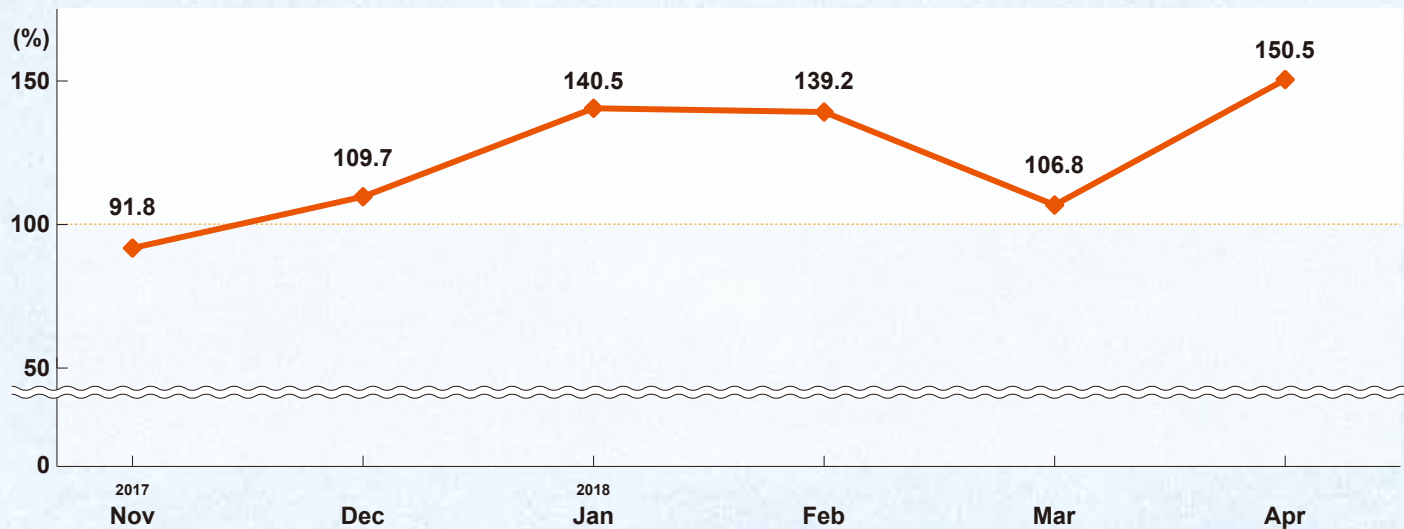
### Rate of progress against full term: 2Q cumulative

	2Q of fiscal 2017	2Q of fiscal 2018
Sales	43.0%	<b>45.5%</b>
Operating income	25.5%	<b>34.1%</b>
Ordinary income	28.1%	<b>35.7%</b>

Strong Re-Shukatsu, at **138.5%**, recruitment, at **136.8%**, and the public sector, at **232.8%**, increased significantly.

The Employment Expo, at **104.4%**, was steady, while sales were at **116.7%**, operating income at **161.5%** and ordinary income at **150.3%**.

41st Term  
Year on year of  
monthly sales



- ◆ **Employment Expo** Number of booths for internships **163.9%** (190.8% for 2Q alone)
- ◆ **Re-Shukatsu** With Feb - Apr **141.7%**, we achieved large growth. There will be significant increases in 3Q and 4Q because of the effects of the TV commercials.
- ◆ **Recruitment** Number of matchings of adults in their 20s **145.4%**, further increases due to synergistic effects with Re-Shukatsu.
- ◆ **Public sector** We are being steadily entrusted with regional creation-type employment measure projects. Sales, at **232.8%** gross profit, at **371.5%**, contributed greatly.

## Balance sheet and income statement

### Quarterly Balance Sheet

(Thousands of yen)

Item	2Q of fiscal 2017	2Q of fiscal 2018	(Ref.) Fiscal 2017
(ASSETS)			
Current assets	5,698,143	5,518,637	6,033,967
Fixed assets	4,453,029	5,231,859	4,860,482
Tangible fixed assets	911,685	896,267	902,647
Intangible fixed assets	208,759	261,875	269,177
Investment	3,332,584	4,073,715	3,688,657
<b>Total assets</b>	<b>10,151,173</b>	<b>10,750,496</b>	<b>10,894,450</b>
(LIABILITIES)			
Current liabilities	571,287	651,769	834,452
Fixed liabilities	246,121	240,568	237,213
Total liabilities	817,408	892,337	1,071,666
(NET ASSETS)			
Capital	1,500,000	1,500,000	1,500,000
Capital surplus	3,333,001	3,339,745	3,333,001
Retained earnings	4,895,355	5,744,303	5,543,114
Treasury stock	-452,418	-735,632	-646,768
Total shareholders' equity	9,275,938	9,848,416	9,729,346
Valuation and translation adjustments	18,050	-20,993	53,661
Stock acquisition rights	39,776	30,736	39,776
Total net assets	9,333,764	9,858,159	9,822,783
<b>Total liabilities and net assets</b>	<b>10,151,173</b>	<b>10,750,496</b>	<b>10,894,450</b>

### Quarterly Income Statement

(Thousands of yen)

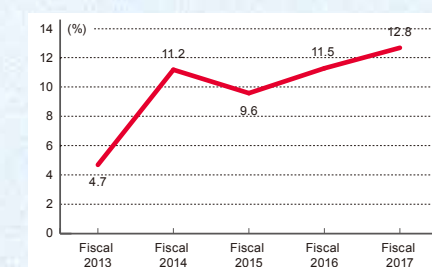
Item	By term	2Q of fiscal 2017		2Q of fiscal 2018		Year on year (%)	(Ref.) Fiscal 2017
		Amount	Percentage (%)	Amount	Percentage (%)		
Sales		2,414,920	100.0	2,818,180	100.0	116.7	5,620,031
Cost of sales		1,017,501	42.1	1,145,797	40.7	112.6	2,045,483
Gross profit		1,397,418	57.9	1,672,383	59.3	119.7	3,574,548
Selling, general and administrative expenses		1,038,731	43.0	1,093,084	38.8	105.2	2,172,835
Operating income		358,687	14.9	579,299	20.6	161.5	1,401,712
Non-operating income		74,696	3.1	70,607	2.5	94.5	130,966
Non-operating expenses		5,320	0.2	6,734	0.2	126.6	10,500
Ordinary income		428,063	17.7	643,171	22.8	150.3	1,522,177
Extraordinary income		61,007	2.5	-	-	-	70,795
Extraordinary loss		-	-	-	-	-	-
Quarterly net income before income taxes		489,071	20.3	643,171	22.8	131.5	1,592,973
Total income taxes		156,595	6.5	203,942	7.2	130.2	372,248
Quarterly net income		332,475	13.8	439,228	15.6	132.1	1,220,725

### Capital efficiency data

	Fiscal 2015	Fiscal 2016	Fiscal 2017
Net assets per share (yen)	581.01	614.52	657.57
Net income this term per share (yen)	50.93	68.56	81.24
Capital adequacy ratio (%)	89.7	89.8	89.8
ROE (Return on Equity) (%)	9.6	11.5	12.8
ROA (Return on Assets) (%)	11.9	14.8	14.3
PER (Price-Earnings Ratio) (times)	21.0	16.6	17.0

(Ref.) Share price at end of term: Oct. 31, 2015 = 1,072 yen; Oct. 31, 2016 = 1,139 yen; Oct. 31, 2017 = 1,381 yen

### Trend of ROE



## Sales and gross profit by product

**RE就活 (Re-Shukatsu) and recruitment continue to pull results along overall. Increases in gross profit are also continuing.**

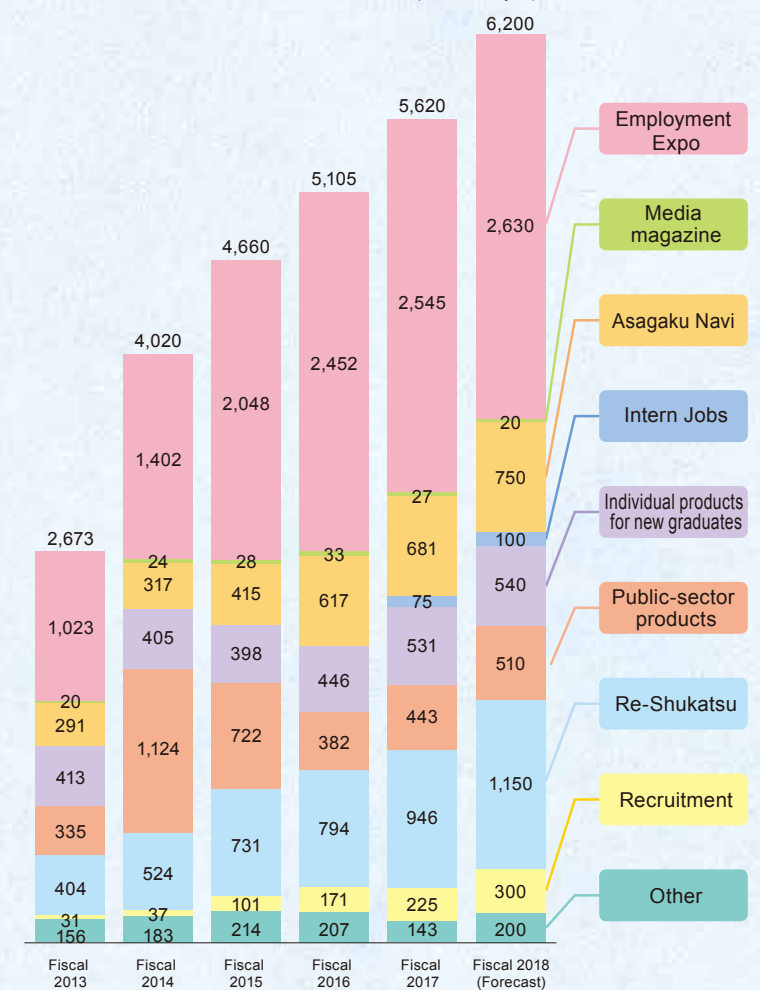
2Q of this fiscal year

(Millions of yen)

		2Q of fiscal 2017	2Q of fiscal 2018	Year on year	Fiscal 2018 (Forecast)	Year on year
2Q total	Sales	2,414	2,818	116.7%	6,200	110.3%
	Gross profit	1,397	1,672	119.7%	4,000	111.9%
Employment Expo	Sales	1,142	1,192	104.4%	2,630	103.3%
	Gross profit	789	825	104.6%	-	-
Media magazine	Sales	20	10	50.8%	20	73.1%
	Gross profit	5	3	62.9%	-	-
Asagaku Navi	Sales	294	262	89.0%	750	110.1%
	Gross profit	121	116	96.3%	-	-
Intern Jobs	Sales	17	13	79.8%	100	132.2%
	Gross profit	9	8	93.1%	-	-
Individual products for new graduates	Sales	326	388	119.1%	540	101.5%
	Gross profit	114	149	130.4%	-	-
Public-sector products	Sales	132	308	232.8%	510	115.1%
	Gross profit	21	81	371.5%	-	-
Re-Shukatsu	Sales	301	418	138.5%	1,150	121.5%
	Gross profit	239	336	140.3%	-	-
Recruitment	Sales	94	129	136.8%	300	133.0%
	Gross profit	85	127	148.9%	-	-
Other	Sales	84	95	112.4%	200	139.5%
	Gross profit	9	22	241.0%	-	-

〈Ref: Sales by product for the full term〉

(Millions of yen)



Japan's largest joint corporate seminar

# 就職博<sup>®</sup>

## Employment Expo

After a succession of refusals of early unofficial job offers, there was a succession of sellouts in May and June, and results trended strongly.



- ▶ The number of event booths in February, at **790 (161.2% year on year)**, increased greatly.
- ▶ Although early, the rate of early unofficial job offers was **48.6%** (up more than 10 points year on year) as of the end of April. Meanwhile, the rate of continuation of activities was **87.1%**, so there was already a succession of refusals of early unofficial job offers.
- ▶ Sales of internship events for 2020 graduates are already **strong**.
- ▶ Scheduled annual number of times to be held **131 times** (126 times in fiscal 2017)

	2Q of fiscal 2017	2Q of fiscal 2018	Year on year
Sales (million yen)	1,142	1,192	104.4%

Number of times held	61	67	109.8%
Held for 1 day	35	40	114.3%
Held for 2 days	26	27	103.8%
For 4th year students	41	35	85.4%
For interns	14	23	164.3%
For job changes	6	9	150.0%

Number of booths	3,386	3,787	111.8%
For 4th year students	2,442	2,366	96.9%
For interns	645	1,057	163.9%
For job changes	299	364	121.7%

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



Re-Shukatsu \* The logo may also change in accordance with the strengthening of promotions

May - Start of large-scale promotion including TV commercials and SNS network advertising, etc.



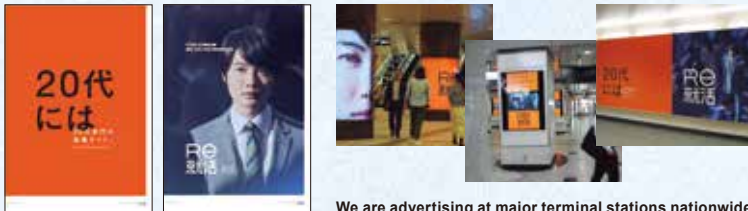
Profile of Ryunosuke Kamiki

Born in 1993.  
 Made drama debut in 1999.  
 Subsequently appeared in several TV dramas and movies and become a young actor with great acting skills, widely active as an actor and as an anime voice artist, etc.  
 Appeared in the April 2018 NHK Saturday drama "Yake ni Ben no Tatsu Bengoshi ga Gakko de Hoeru" and an appearance in the 2019 NHK Taiga Drama "Idaten - Tokyo Olympic Story -" has been determined.  
 Moreover, an appearance as the lead character in "Fortuner no Hitomi," a movie scheduled for public release in 2019, has also been determined.

TV CM



Public transport advertising



We are advertising at major terminal stations nationwide

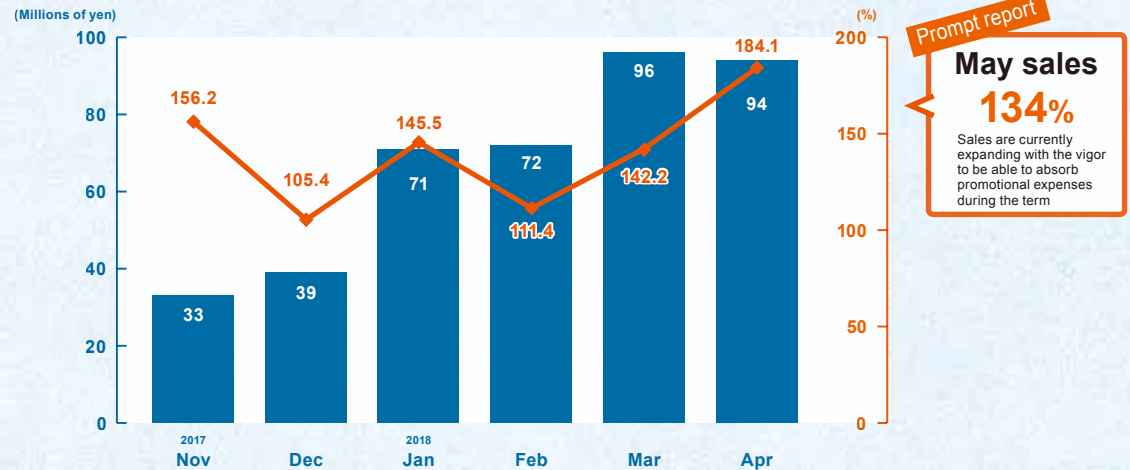
We are proposing recruitment aimed at "12.5 million job seekers in their 20s" for people in difficulty over recruitment as new graduates (500,000 subjects annually). We are currently making great progress with original solutions.



Sales (million yen)

2Q of fiscal 2017	2Q of fiscal 2018	Year on year
301	418	138.5%

41st term monthly sales and year on year of RE就活 (Re-Shukatsu)



# Recruitment Business



Number of matchings of adults in their 20s **145.4%**, significant increases due to synergistic effects with Re-Shukatsu

	2Q of fiscal 2017	2Q of fiscal 2018	Year on year
Sales (million yen)	94	129	136.8%
Total number of recruited people (people)	189	241	127.5%
New graduates (people)	70	68	97.1%
People in their 20s (people)	119	173	145.4%
Number of staff at the company (people)	19	22	115.8%

We are currently expanding synergistic effects with Re-Shukatsu in the recruitment area

➔ Number of implementations of adult counselling 1,706 people <sup>(Year on year 107.6%)</sup>

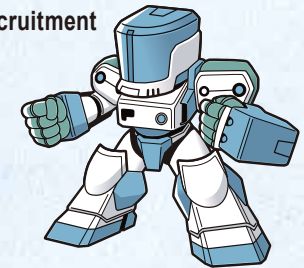
Number of adults aged in their 20s recruited(people)

2Q of fiscal 2015	2Q of fiscal 2016	Year on year	2Q of fiscal 2017	Year on year	2Q of fiscal 2018	Year on year
42	81	192.9%	119	146.9%	173	145.4%

Asahi Shimbun and GAKUJO contribute to successful recruitment

# あさがくナビ

## Asagaku Navi



“スマ面”

(smartphone screen), a new function and a first in the industry,

to handle additional recruitment needs after a succession of refusals of early unofficial job offers.

	2Q of fiscal 2017	2Q of fiscal 2018	Year on year
Sales (million yen)	294	262	89.0%

Currently trending with the highest number of LINE members in the industry!

Sales of the 2019 graduate version are recorded divided into 2Q and 3Q (costs are recorded in bulk in 2Q)

We used the knowhow from the Re-Shukatsu renewal (June 1, 2017) to start on the development of the 2020 graduate version



▲ Smartphone screen



▲ New graduates in 2019  
Top page of PC version

▲ Top page of LINE



# New solutions for the labor market

The market has finally started to recognize these in the suggestions of GAKUJO.

## New graduate recruitment

Of about **500,000** people, 432,000 people want to work for private firms \* Recruit Works survey

- Competition is intensifying for the sellers' market due to the declining birthrate
- Students are inclined towards large, stable firms



Including new graduates

## People in their 20s in general

Making recruitment of young people the standard, targeting **about 12.5 million people**

- **RE就活** (Re-Shukatsu), the No.1 career change site (for job seekers in their 20s)
- Strengthening of the **就職博** (Employment Expo) where people can meet directly
- **Recruitment** specializing in people in their 20s (synergies with Re-Shukatsu)

We are currently strengthening TV commercials and other promotions

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**Contracting in the public sector is trending strongly -  
Increased last year for the full year**

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**Expansion of the scale of internship events,  
which are being further accelerated**

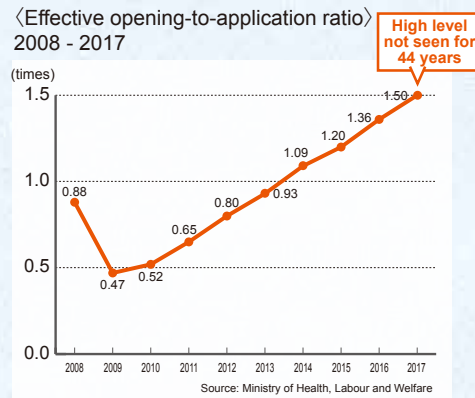
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Promotion of new management vision

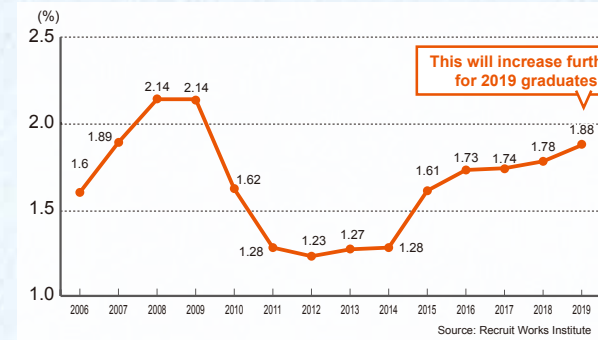
# Aim to achieve a 100 billion yen company “Enjoy doing business with the world”

- ◆ We will invest the largest promotional expenses since the founding of “**RE就活** (Re-Shukatsu)”
- ◆ We will strengthen management based on the rejuvenation of the Directors and an increase in Operating Officers
- ◆ We will search for alliances with large net service companies and powerful foreign companies, and M&A, etc.

We will take on the challenge of bold, heretofore unprecedented measures

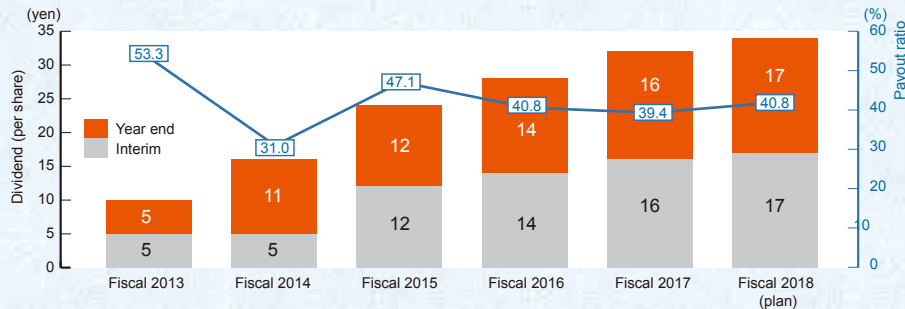


〈Graduate-to-application ratio〉 2006 - 2019 graduates



Further increased difficulty for new graduate recruitment


〈Trends in dividends and payout ratio〉 The payout ratio is maintaining a level of 40% - 50%. Annual dividend planned to be increased by 2 yen to 34 yen in fiscal 2018



	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018 (plan)
Net income this term per share (yen)	51.63	50.93	68.56	81.24	83.35
Dividend per share (yen)	16	24	28	32	34
Payout ratio (%)	31.0	47.1	40.8	39.4	40.8

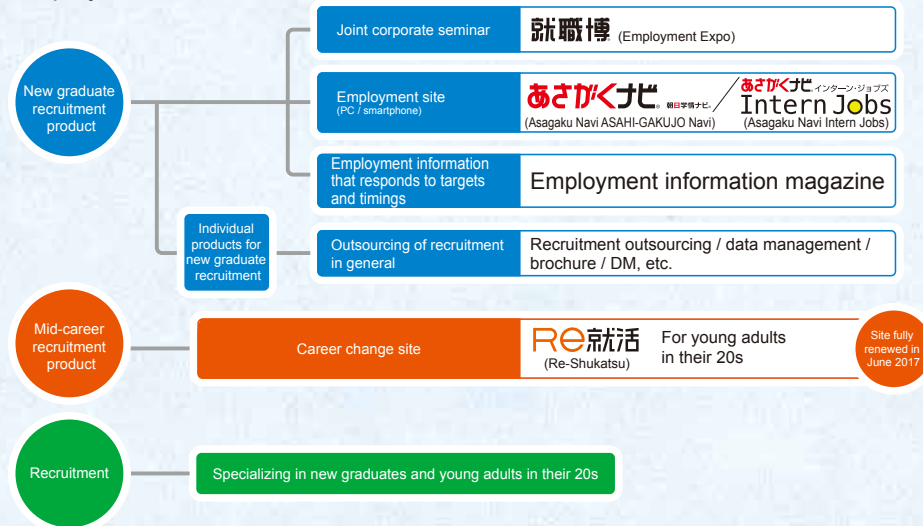
## Business domains

### Gakujo's Strong Points

- Entered into a capital and business tie-up agreement with the Asahi Shimbun and Asahi Gakusei Shimbunsha (2013)
  - 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 graduating students every year
  - Wide range of corporate customers numbering approximately 4,000 annually
  - Good reliability due to acquisition of Privacy Mark ahead of competitors in same industry
- 

Renewed 9 times most in the industry
- Unique ability to develop products such as **あさかくナビ** (Asagaku Navi), **RE京活** (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 public sector and the fields of employment support and recruitment measures
- 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; Three Tokyo Local Bar Associations; Tokyo Metropolitan Government; Osaka City, etc.
  - Creditworthiness ensured with support from Asahi Broadcasting Corporation and Sky-A

### Employment information business



## Corporate outline and history

### Corporate Outline

Trade name:	GAKUJO Co., Ltd.
Established:	November 1977
CEO:	Kiyokazu Nakai
Capital:	1,500,000,000 yen
Number of employees:	276 * Inc. 268 regular employees (as of April 30, 2018)
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. 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
March 2016	Start of distribution of "Asagaku Navi Intern Jobs" Start of distribution of English version of "Asagaku Navi Intern Jobs"
October 2016	Moved the 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.
November 2017	Renamed the Fukuoka Sales Office as "Fukuoka Branch Office"



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



▲ Tokyo Headquarters (Ginza, Chuo-ku)



▲ Nagoya Branch Office (Sakae, Naka-ku, Nagoya)



▲ Kyoto Branch Office (Shimogyo-ku, Kyoto)



▲ Fukuoka Branch Office (Hakata-ku, Fukuoka)