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Consolidated Financial Results for the Six Months Ended September 30, 2020 [Japanese GAAP]

November 12, 2020

Company name: RareJob, Inc.
 Stock exchange listing: Tokyo
 Code number: 6096
 URL: <https://www.rarejob.co.jp>
 Representative: Gaku Nakamura, CEO
 Contact: Naoki Morita, Executive Officer & CFO
 Phone: 03-5468-7401
 Scheduled date of filing quarterly securities report: November 12, 2020
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: Yes (for analysts and institutional investors)

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Six Months Ended September 30, 2020 (April 01, 2020 to September 30, 2020)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2020	2,661	27.7	369	102.1	365	112.5	233	150.4
September 30, 2019	2,083	26.9	182	895.8	172	704.8	93	-

(Note) Comprehensive income: Six months ended September 30, 2020: ¥237 million [198.6%]
 Six months ended September 30, 2019: ¥79 million [264.0%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2020	25.85		24.71	
September 30, 2019	10.22		10.04	

- (Note) 1. The Company conducted two 2-for-1 common stock splits. The first one became effective on June 1, 2019 based on the board resolution dated on April 11, 2019. The second one became effective on December 6, 2019 based on the board resolution dated on November 14, 2019. Basic earnings per share and diluted earnings per share are calculated as if these stock splits had taken place at the beginning of the previous fiscal year.
2. Since the year-on-year rate of change in profit attributable to owners of parent is over 1,000%, "-" is indicated.

(2) Consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio
	Million yen		Million yen		
As of September 30, 2020	3,996		1,926		41.8
March 31, 2020	3,557		1,602		38.4

(Reference) Equity: As of September 30, 2020: ¥1,672 million
 As of March 31, 2020: ¥1,364 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2021	-	0.00			
Fiscal year ending March 31, 2021 (Forecast)			-	0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021(April 01, 2020 to March 31, 2021)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	5,400	19.7	640	43.3	600	44.3	370	80.3	40.93

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2020
(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2020: 9,517,200 shares

March 31, 2020: 9,491,200 shares

2) Total number of treasury shares at the end of the period:

September 30, 2020: 460,753 shares

March 31, 2020: 482,120 shares

3) Average number of shares during the period:

Six months ended September 30, 2020: 9,022,130 shares

Six months ended September 30, 2019: 9,110,367 shares

(Note) The Company conducted two 2-for-1 common stock splits. The first one became effective on June 1, 2019 based on the board resolution dated on April 11, 2019. The second one became effective on December 6, 2019 based on the board resolution dated on November 14, 2019. The number of issued shares (common shares) is calculated as if these stock splits had taken place at the beginning of the previous fiscal year.

* This financial report is not subject to the statutory quarterly review by a certified public accountant or audit firm.

* Explanation about the proper use of earnings forecasts, and other special notes

The forward-looking statements, including results forecasts, contained in this document are based on information the Company has obtained as of today and certain assumptions the Company considers reasonable. The Company does not guarantee its achievement of the forward-looking statements. Actual results may differ significantly depending on a variety of factors.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2020	As of September 30,2020
Assets		
Current assets		
Cash and deposits	2,153,486	2,674,654
Deposits paid	13,267	14,150
Accounts receivable - trade	456,262	223,000
Prepaid expenses	42,344	82,001
Derivatives	6,214	16,717
Other	26,611	31,565
Total current assets	2,698,187	3,042,090
Non-current assets		
Property, plant and equipment		
Buildings	126,314	131,999
Accumulated depreciation	(47,684)	(53,360)
Buildings, net	78,629	78,638
Tools, furniture and fixtures	141,690	162,963
Accumulated depreciation	(100,498)	(111,512)
Tools, furniture and fixtures, net	41,191	51,451
Vehicles	2,363	2,374
Accumulated depreciation	(1,339)	(1,583)
Vehicles, net	1,024	791
Right-of use assets	139,804	133,874
Accumulated depreciation	(36,364)	(40,804)
Accumulated impairment loss	(26,912)	(25,664)
Right-of-use assets,net	76,527	67,405
Other	-	23,980
Total property, plant and equipment	197,372	222,267
Intangible assets		
Trademark right	2,591	2,666
Software	347,369	354,566
Software in progress	56,159	115,797
Goodwill	83,013	76,864
Other	563	-
Total intangible assets	489,696	549,894
Investments and other assets		
Investment securities	12,027	11,475
Leasehold deposits	113,724	111,959
Deferred tax assets	46,139	43,047
Other	710	15,385
Total investments and other assets	172,601	181,868
Total non-current assets	859,670	954,030
Total assets	3,557,857	3,996,120

(Thousand yen)

	As of March 31,2020	As of September 30,2020
Liabilities		
Current liabilities		
Current portion of long-term borrowings	280,000	30,000
Lease obligations	45,999	44,949
Accounts payable - other	152,296	132,632
Accrued expenses	213,126	255,201
Income taxes payable	145,548	145,098
Accrued consumption taxes	117,100	108,037
Advances received	118,897	205,284
Deposits received	31,133	24,178
Provision for bonuses	48,506	49,664
Other	21,924	20,054
Total current liabilities	1,174,532	1,015,102
Non-current liabilities		
Long-term borrowings	690,000	975,000
Retirement benefit liability	26,313	28,600
Lease obligations	60,893	46,502
Asset retirement obligations	2,432	2,704
Deferred tax liabilities	131	1,022
Other	1,318	938
Total non-current liabilities	781,089	1,054,768
Total liabilities	1,955,621	2,069,870
Net assets		
Shareholders' equity		
Share capital	572,571	578,591
Capital surplus	569,258	614,584
Retained earnings	524,937	758,186
Treasury shares	(303,295)	(289,853)
Total shareholders' equity	1,363,470	1,661,508
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(1,137)	(1,188)
Deferred gains or losses on hedges	4,311	11,598
Foreign currency translation adjustment	4,551	6,229
Remeasurements of defined benefit plans	(6,449)	(5,868)
Total accumulated other comprehensive income	1,276	10,771
Share acquisition rights	55,737	77,060
Non-controlling interests	181,750	176,909
Total net assets	1,602,235	1,926,249
Total liabilities and net assets	3,557,857	3,996,120

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the six months)

(Thousand yen)

	For the six months ended September 30,2019	For the six months ended September 30,2020
Net sales	2,083,308	2,661,142
Cost of sales	809,204	1,098,320
Gross profit	1,274,103	1,562,821
Selling, general and administrative expenses	1,091,371	1,193,609
Operating profit	182,731	369,212
Non-operating income		
Interest income	66	68
Subsidy income	-	6,782
Other	1,243	2,097
Total non-operating income	1,309	8,948
Non-operating expenses		
Interest expenses	3,302	4,483
Foreign exchange losses	5,029	6,957
Share of loss of entities accounted for using equity method	1,246	479
Other	2,348	449
Total non-operating expenses	11,926	12,369
Ordinary profit	172,114	365,791
Extraordinary income		
Gain on sales of non-current assets	194	111
Gain on reversal of share acquisition rights	1,918	-
Total extraordinary income	2,112	111
Extraordinary losses		
Loss on sales of non-current assets	689	-
Loss on retirement of non-current assets	-	563
Total extraordinary losses	689	563
Profit before income taxes	173,537	365,339
Income taxes - current	84,229	136,339
Income taxes - deferred	6,369	592
Total income taxes	90,599	136,932
Profit	82,938	228,407
Profit attributable to non-controlling interests	(10,209)	(4,842)
Profit attributable to owners of parent	93,148	233,249

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Thousand yen)

	For the six months ended September 30,2019	For the six months ended September 30,2020
Profit	82,938	228,407
Other comprehensive income		
Valuation difference on available-for-sale securities	(175)	(50)
Deferred gains or losses on hedges	(2,699)	7,286
Foreign currency translation adjustment	(220)	1,678
Remeasurements of defined benefit plans, net of tax	(168)	580
Total other comprehensive income	(3,265)	9,495
Comprehensive income	79,673	237,902
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	89,886	242,519
Comprehensive income attributable to non-controlling interests	(10,213)	(4,617)

Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended September 30,2019	For the six months ended September 30,2020
Cash flows from operating activities		
Profit before income taxes	173,537	365,339
Depreciation	102,001	113,541
Share-based remuneration expenses	22,564	29,377
Amortization of goodwill	6,149	6,149
Share of loss (profit) of entities accounted for using equity method	1,246	479
Gain on reversal of share acquisition rights	(1,918)	-
Interest income	(66)	(68)
Interest expenses	3,302	4,483
Loss (gain) on sales of non-current assets	494	(111)
Loss on retirement of non-current assets	-	563
Decrease (increase) in trade receivables	(56,517)	233,261
Decrease (increase) in prepaid expenses	(11,033)	7,056
Increase (decrease) in accounts payable - other	(24,124)	(20,776)
Increase (decrease) in accrued expenses	7,051	42,075
Increase (decrease) in accrued consumption taxes	(9,170)	(9,062)
Increase (decrease) in advances received	55,400	86,387
Increase (decrease) in provision for bonuses	(11,443)	1,157
Decrease (increase) in other assets	(64,880)	(22,447)
Increase (decrease) in other liabilities	66,523	(11,364)
Other, net	2,423	1,281
Subtotal	261,541	827,323
Interest received	66	68
Interest paid	(3,302)	(4,501)
Income taxes paid	(59,190)	(132,070)
Net cash provided by (used in) operating activities	199,114	690,819
Cash flows from investing activities		
Purchase of investment securities	(4,967)	-
Purchase of property, plant and equipment	(8,753)	(48,044)
Proceeds from sales of property, plant and equipment	4,903	1,054
Purchase of intangible assets	(87,154)	(136,878)
Payments of leasehold and guarantee deposits	(759)	(1,085)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	14,385	-
Other, net	486	1,645
Net cash provided by (used in) investing activities	(81,859)	(183,307)

(Thousand yen)

	For the six months ended September 30,2019	For the six months ended September 30,2020
Cash flows from financing activities		
Proceeds from long-term borrowings	-	300,000
Repayments of long-term borrowings	(65,000)	(265,000)
Purchase of treasury shares	(183,648)	-
Repayments of lease obligations	(23,493)	(31,246)
Proceeds from share issuance to non-controlling shareholders	152,133	-
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	43,901	-
Proceeds from exercise of employee share options	1,997	10,038
Other, net	15	-
Net cash provided by (used in) financing activities	(74,093)	13,791
Effect of exchange rate change on cash and cash equivalents	(1,272)	747
Net increase (decrease) in cash and cash equivalents	41,889	522,050
Cash and cash equivalents at beginning of period	1,317,408	2,166,754
Cash and cash equivalents at end of period	1,359,298	2,688,804