

Results of Operations for the First Half of the Fiscal Year Ending March 31, 2019 (FY3/19)



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1 1H FY3/19 Consolidated Financial Summary

9th consecutive year of first-half sales and earnings growth

Both first-half sales and earnings rose to new record highs

Net sales	9,938 million yen	Up 18.2% YoY Up 2.5% vs. plan
Operating profit	2,017 million yen	Up 19.1% YoY Up 4.6% vs. plan
Ordinary profit	2,033 million yen	Up 16.5% YoY Up 4.2% vs. plan
Profit attributable to owners of parent	1,383 million yen	Up 12.6% YoY Up 2.4% vs. plan

Point 1.
**Operating
Environment**

Performance benefited from Japan's strong labor market (higher job openings-to-applicants ratio and lower unemployment rate)

- Demand for workers increased in transportation, construction, manufacturing and a broad range of other industries.

Point 2.
Our Activities

We provided a diverse array of services that matched the human resources needs of companies

- One priority was personnel placement and temporary staffing services for professionals, a job category with a severe shortage of qualified workers and difficulty recruiting people.
- We increased investments in our workforce and took other actions to build a stronger foundation for business operations.

Human Resources Services Business remained strong

1. Human Resources Service Business

Net sales: **6,418** million yen

Operating profit: **1,877** million yen

2. Recruiting Business

Net sales: **1,744** million yen

Operating profit: **353** million yen

3. Information Publishing Business

Net sales: **921** million yen

Operating profit: **38** million yen

4. Other

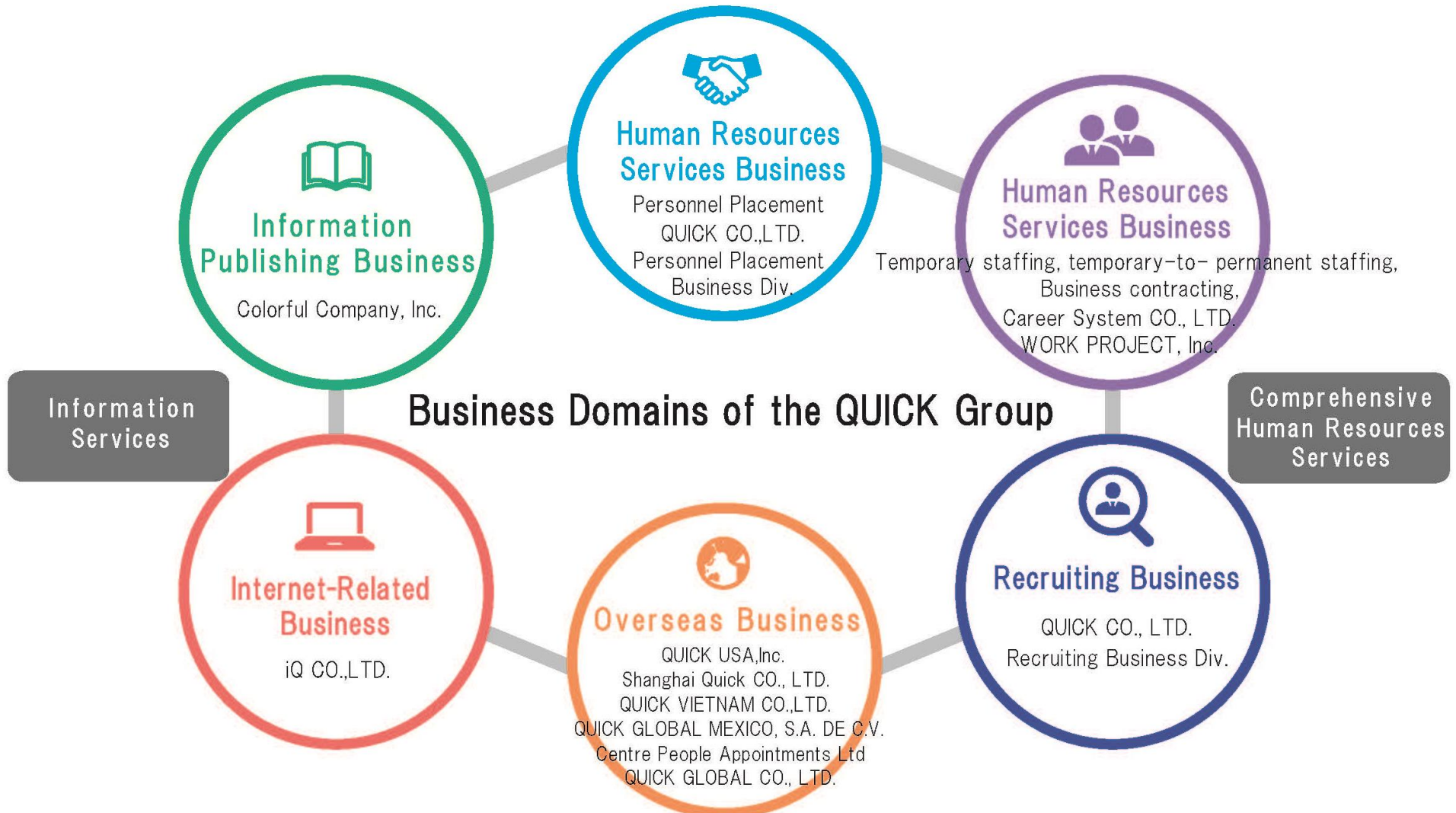
Net sales: **854** million yen

Operating profit: **125** million yen

2 1H FY3/19 Consolidated Financial Results

2 Business Domains of the QUICK Group

■ Contributing to society through human resources and information businesses



2 1H FY3/19 Financial Results (YoY Change/Vs. Plan)

YoY Change/Vs. plan

(Millions of yen)

	1H FY3/19 results	1H FY3/18 results			1H FY3/19 plan		
		Results	YoY change (amount)	YoY change (%)	Plan	Vs. Plan (amount)	Vs. Plan (%)
Net sales	9,938	8,405	1,533	18.2%	9,695	242	2.5%
Gross profit	6,438	5,222	1,216	23.3%	6,127	311	5.1%
Selling, general and administrative expenses	4,421	3,527	893	25.3%	4,197	223	5.3%
Operating profit	2,017	1,694	323	19.1%	1,929	87	4.6%
Ordinary profit	2,033	1,745	288	16.5%	1,951	82	4.2%
Profit attributable to owners of parent	1,383	1,228	155	12.6%	1,351	31	2.4%

2 1H FY3/19 Segment Results (YoY Change/Vs. Plan)

YoY Change/Vs. plan

(Millions of yen)

Segment		1H FY3/19 results	1H FY3/18 results			1H FY3/19 plan		
			Results	YoY change (amount)	YoY change (%)	Plan	Vs. Plan (amount)	Vs. Plan (%)
Sales	Human Resources Services Business	6,418	5,428	989	18.2%	6,336	81	1.3%
	Recruiting Business	1,744	1,569	174	11.1%	1,633	110	6.8%
	Information Publishing Business	921	834	86	10.4%	859	61	7.2%
	Other	854	571	282	49.5%	866	(11)	(1.3)%
	Total	9,938	8,405	1,533	18.2%	9,695	242	2.5%
Operating profit	Human Resources Services Business	1,877	1,593	283	17.8%	1,844	32	1.8%
	Recruiting Business	353	322	30	9.4%	315	37	11.9%
	Information Publishing Business	38	(21)	60	-	(4)	42	-
	Other	125	98	26	27.3%	93	31	33.9%
	Adjustment	(376)	(298)	(78)	26.2%	(319)	(57)	17.9%
Total	2,017	1,694	323	19.1%	1,929	87	4.6%	

Note: Major figures that impact segment sales and profit include inter-segment transactions.

2 1H FY3/19 Segment Results (Human Resources Service Business)



Net sales: **6,418** million yen Operating profit: **1,877** million yen

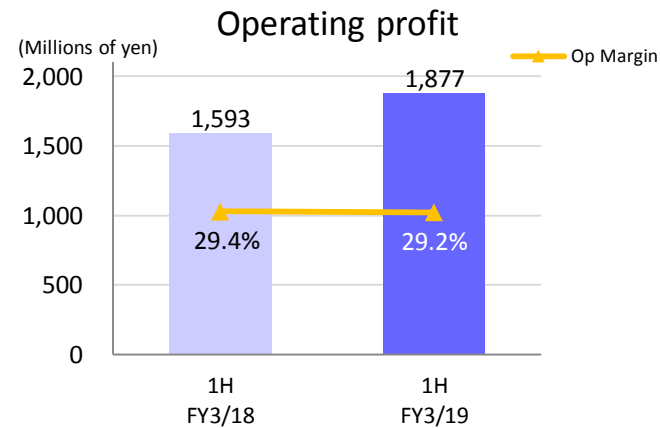
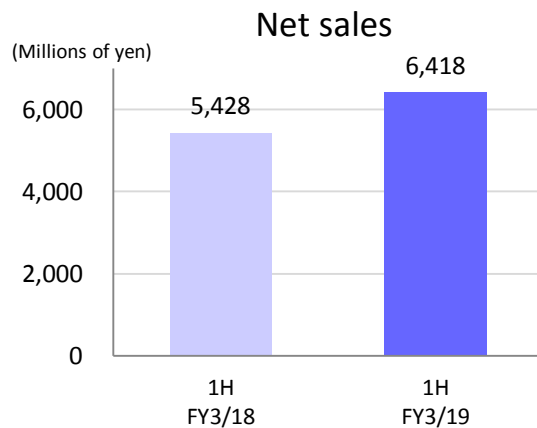
The business performance remained solid in the placements of nurses and professionals

■ Sales (Millions of yen)

- Personnel placement: 952 ↗
- Temporary staffing: 14 ↗
- Nursery school operations: 20 ↗

■ Operating expenses (Millions of yen)

- Personnel placement strengthened promotions: 108 ↗
- Higher temporary staffing sales resulted in an increase in labor cost: 15 ↗
- Higher nursery school personnel expenses: 20 ↗
- Higher personnel expenses due to larger workforce: 373 ↗



2 1H FY3/19 Segment Results (Recruiting Business)

Net sales: **1,744** million yen Operating profit: **353** million yen

Strong performance by recruiting advertising media and higher consulting sales

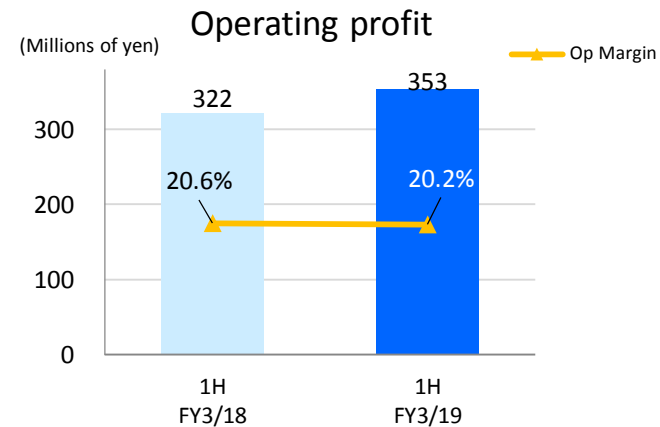
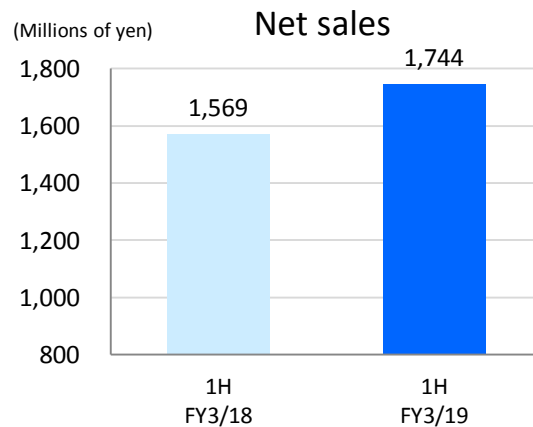
■ Sales (Millions of yen)

- Recruiting advertising: 93 ↗
- In-house planned products: 78* ↗

*Consulting operations for more effective recruiting advertisements.

■ Operating expenses (Millions of yen)

- Higher outsourcing expenses for advertisement production: 52 ↗
- Higher personnel expenses due to larger workforce: 83 ↗



2 1H FY3/19 Segment Results (Information Publishing Business)

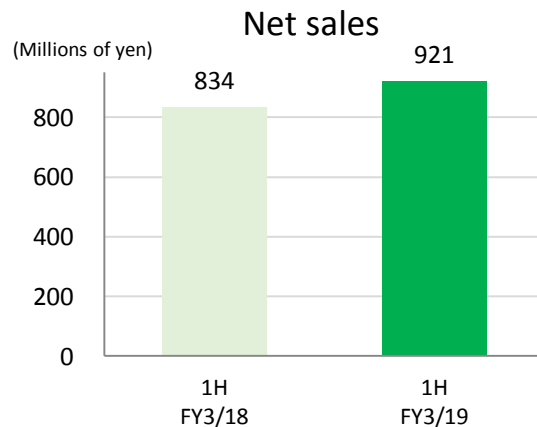


Net sales: **921** million yen Operating profit: **38** million yen

Posting service performed well and more growth of personnel placements in concierge services

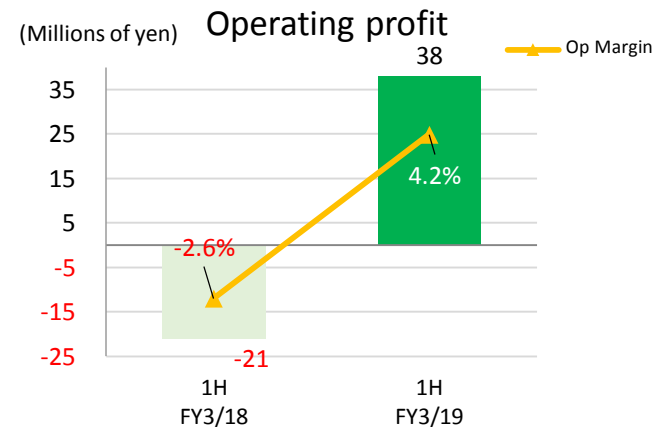
■ Sales (Millions of yen)

- Free paper: 16 ↗
 - * Higher sales from the first issue of the Takaoka Joho lifestyle information magazine: 20 (net increase)
- Other internal media: 7 ↗
- Posting service: 22 ↗
- Concierge service: 31 ↗



■ Operating expenses (Millions of yen)

- Shipment expenses, etc.: 9 ↗
 - * Higher expenses for the first issue of the Takaoka Joho and growth in posting service
- Higher personnel expenses due to larger workforce: 15 ↗



2 1H FY3/19 Segment Results

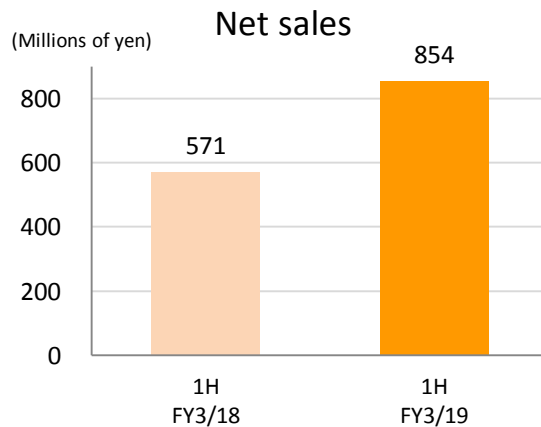
(Other: Internet-Related Business and Overseas Business)

Net sales: 854 million yen **Operating profit: 125 million yen**
 Nihon no Jinjibu (Japan's Human Resources Department) continued to perform well.
 UK business operations contributed to earnings for the first time.

Sales (Millions of yen)

- Nihon no Jinjibu: 75 ↗
- Overseas Business: 226 ↗
 (USA: 25, China: 15, UK: 184*, Vietnam: 14*)

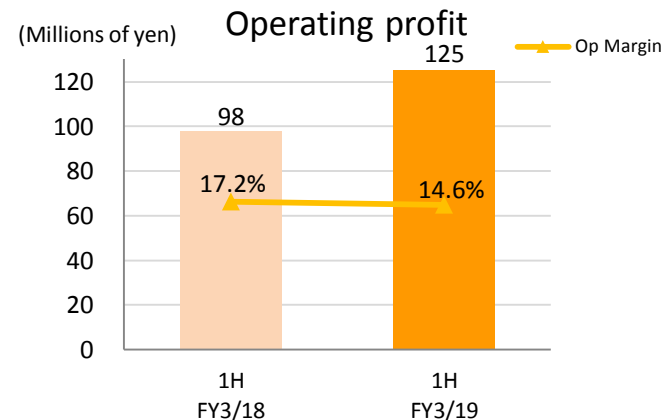
*Consolidated in FY3/19 (net increase)



Operating expenses (Millions of yen)

- Internet-Related Business (Advertising and other expenses) : (9) ↘
- Overseas Business : 256 ↗
 (USA: 18, UK: 173*, Vietnam: 11*)

*Consolidated in FY3/19 (net increase)



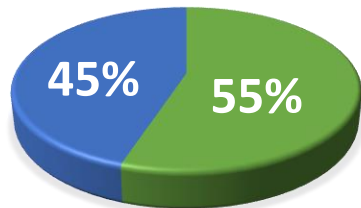
2 1H FY3/19 Segment Results



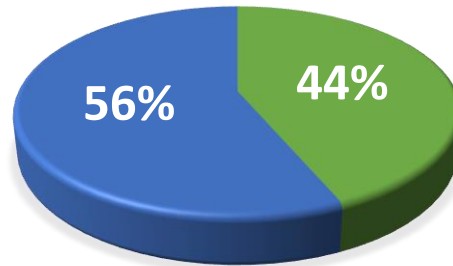
Other (Internet-Related Business, Overseas Business)

Other sales

■ Internet-Related ■ Overseas



1H FY3/18



1H FY3/19

1H FY3/19

- ◆ Internet-Related Business (millions of yen)

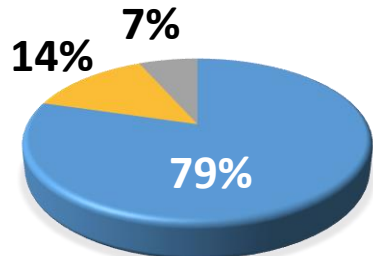
Net sales:	372
Operating profit:	115

- ◆ Overseas Business (millions of yen)

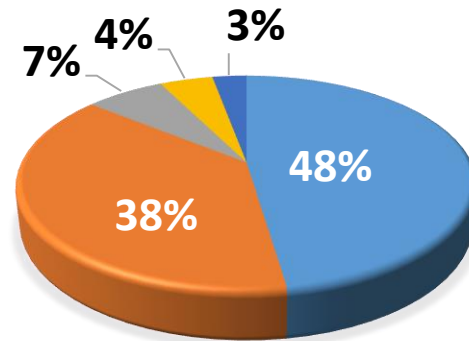
Net sales:	482
Operating profit:	9

Overseas business sales composition

■ USA ■ UK ■ Shanghai ■ Mexico ■ Vietnam



1H FY3/18



1H FY3/19

1H FY3/19

- ◆ Overseas Business Sales (millions of yen)

USA:	229
UK:	184
Shanghai:	32
Mexico:	21
Vietnam:	13

3 FY3/19 Consolidated Earnings Forecast

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■ Goal is the ninth consecutive year of sales and earnings growth.

*No change in the FY3/19 forecast due to the economic outlook and upcoming investments.

FY3/19 Earnings/dividends forecasts (YoY change/Vs. initial plan)

(Millions of yen)

	FY3/19					
	1H results	2H forecast			Full year forecast	
	Amount	Amount	YoY change	Vs. initial plan	Amount	YoY change
Net sales	9,938	8,561	2.3%	(2.8)%	18,500	10.3%
Gross profit	6,438	4,731	4.5%	2.4%	11,170	14.6%
Selling, general and administrative expenses	4,421	4,448	10.6%	4.6%	8,870	17.5%
Operating profit	2,017	282	(44.0)%	(23.8)%	2,300	4.6%
Ordinary profit	2,033	496	(10.6)%	(14.2)%	2,530	10.0%
Profit attributable to owners of parent	1,383	369	(7.3)%	(8.0)%	1,753	7.8%
Dividend per share (yen)	19.0	19.0	1.0 yen	0 yen	38.0	3.0 yen

Net sales: **11,265** million yen Operating profit: **1,820** million yen

More highly effective marketing activities and more specialist job categories in personnel placement

■ Outlook for FY3/19

	1H results	2H forecast	YoY change	Vs. initial plan	Full-year forecast
Net sales	6,418	4,846	8.0%	(1.5)%	11,265
Operating profit	1,877	(56)	-	-	1,820

Note: 2H FY3/18 operating profit was 141 million yen.

■ Second half outlook for expenses (millions of yen)

YoY change

- Personnel placement: 313 ↗
- Temporary staffing: 35 ↗
- Nursery school operations: 12 ↗
- Recruiting adverting expenses: 141 ↗
- Personnel expenses: 254 ↗

Vs. initial plan

- Personnel placement: 103 ↗
- Temporary staffing: (154) ↘
- Nursery school: (25) ↘
- Recruiting adverting expenses: (17) ↘
- Personnel expenses: 94 ↗

3 FY3/19 Business Segment Forecasts (Recruiting Business)



Net sales: 3,632 million yen **Operating profit: 856 million yen**
 Produce media for recruiting university students graduating in 2019 and strengthen sales activities for consulting

■ Outlook for FY3/19

	1H results	2H forecast	YoY change	Vs. initial plan	Full-year forecast
Net sales	1,744	1,888	(11.1)%	(8.7)%	3,632
Operating profit	353	502	(10.0)%	(2.7)%	856

■ Second half outlook for expenses (millions of yen)

YoY change

- Recruiting advertising sales: (239)* ↘
- Recruit Co., Ltd. incentives: (31)
- In-house products: 55 ↗
- Cost of advertisements: (235)* ↘

*Some media will be reclassified as outsourced products starting in December

- Cost of in-house products: 47

Vs. initial plan

- Recruiting advertising sales: (191)* ↘
- In-house products: 16 ↗
- Cost of advertisements: (148)* ↘

*Some media will be reclassified as outsourced products starting in December

Net sales: **1,869** million yen Operating profit: **114** million yen

Reinforce regional media and the posting service and expand “real” services

■ Outlook for FY3/19

	1H results	2H forecast	YoY change	Vs. initial plan	Full-year forecast
Net sales	921	948	2.3%	(0.1)%	1,869
Operating profit	38	76	202.3%	27.8%	114

■ Second half outlook for expenses (millions of yen)

YoY change

- Lifestyle information magazines: 10 ↗
- Posting service: 16 ↗
- Concierge service: 39 ↗
- Outsourcing expenses: (25) ↘

Vs. initial plan

- Paper publications: (23) ↘
- Concierge service: 17 ↗
- Outsourcing expenses: (19) ↘
- Posting distribution expenses: (3) ↘

Net sales: **1,732** million yen Operating profit: **228** million yen

Establish Nihon no Jinjibu as the leading brand and make all overseas companies profitable

■ Outlook for FY3/19

	1H results	2H forecast	YoY change	Vs. initial plan	Full-year forecast
Net sales	854	877	5.5%	1.5%	1,732
Operating profit	125	103	3.6%	39.8%	228

■ Second half outlook for expenses (millions of yen)

YoY change

- Internet-Related Business (Nihon no Jinjibu): 5 ↗
- Overseas Business: 78 ↗
- Personnel expenses (Internet-Related Business): 8 ↗
- Personnel expenses (Overseas Business): 43 ↗

Vs. initial plan

- Internet-Related Business (Nihon no Jinjibu): 20 ↗
- Cost of sales for Overseas Business: (13) ↘
- Personnel expenses for Overseas Business: (6) ↘

3 FY3/19 Dividends Forecast



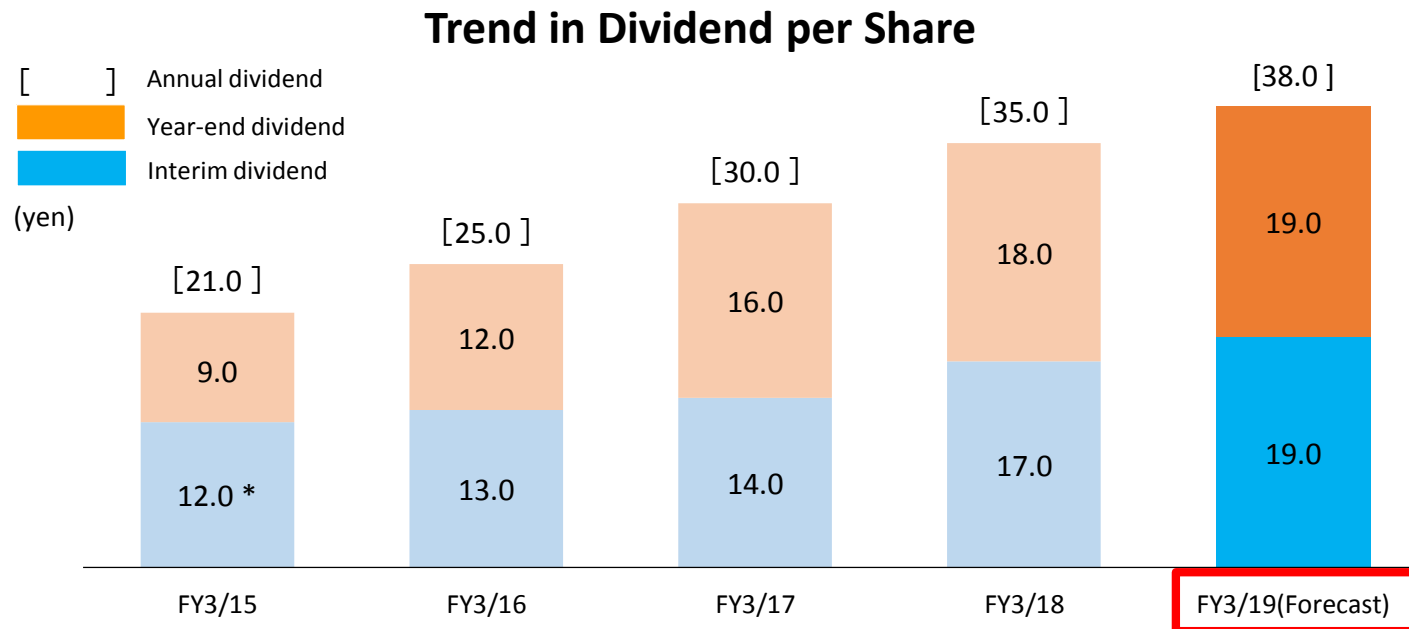
Payout ratio

The basic policy is to pay a dividend equal to 40% of profit attributable to owners of parent.

FY3/19
Dividends Forecast

Annual dividend 38 yen

*Interim dividend 19.0 yen + Year-end dividend 19.0 yen (up 3 yen YoY)



Notes 1: * Interim dividend for FY3/15 includes a commemorative dividend of ¥5 for listing on the First Section of the Tokyo Stock Exchange.
2: Dividend payout ratio increased from 30% to 40% from FY3/16.

4 Medium-term Management Plan

4 Medium-term Management Plan

- No change in plan for FY3/19 earnings except the increase in gross profit.
- No changes in the plans for sales and earnings in FY3/20 and FY3/21.

Medium-term Management Plan (FY3/19-FY3/21)

(Millions of yen)

	FY3/18 results	FY3/19		FY3/20		FY3/21	
		Forecast	YoY change	Forecast	YoY change	Forecast	YoY change
Net sales	16,775	18,500	10.3%	21,000	13.5%	23,850	13.6%
Gross profit	9,748	11,170	14.6%	12,320	10.3%	14,080	14.3%
Selling, general and administrative expenses	7,549	8,870	17.5%	9,500	7.1%	10,650	12.1%
Operating profit	2,198	2,300	4.6%	2,820	22.6%	3,430	21.6%
Ordinary profit	2,300	2,530	10.0%	2,850	12.6%	3,460	21.4%
Profit attributable to owners of parent	1,627	1,753	7.8%	1,970	12.3%	2,391	21.4%
Gross margin	58.1%	60.4%	2.3pt	58.7%	(1.7)pt	59.0%	0.3pt
Operating margin	13.1%	12.4%	(0.7)pt	13.4%	1.0pt	14.4%	1.0pt
Ordinary margin	13.7%	13.7%	0.0pt	13.6%	(0.1)pt	14.5%	0.9pt
Profit attributable to owners of parent margin	9.7%	9.5%	(0.2)pt	9.4%	(0.1)pt	10.0%	0.6pt

Note : QUICK reexamines and revises its medium-term management plan every year on a rolling basis.

4 Medium-term Management Plan (Segment Sales and Operating Profit)

- FY3/19 business segments differ from segments in the initial plan.
*There are no changes in total sales and total operating profit.
- No changes in the plans for sales and earnings in FY3/20 and FY3/21.

Medium-term Management Plan by Segment (FY3/19-FY3/21)

(Millions of yen)

Segment		FY3/18 results	FY3/19		FY3/20		FY3/21	
			Plan	YoY change	Plan	YoY change	Plan	YoY change
Sales	Human Resources Services Business	9,915	11,265	13.6%	13,171	16.9%	15,314	16.3%
	Recruiting Business	3,693	3,632	(1.6)%	3,923	8.0%	4,056	3.4%
	Information Publishing Business	1,762	1,869	6.1%	1,913	2.3%	2,080	8.7%
	Other	1,404	1,732	23.4%	1,991	14.9%	2,398	20.4%
	Total	16,775	18,500	10.3%	21,000	13.5%	23,850	13.6%
Operating profit	Human Resources Services Business	1,735	1,820	4.9%	2,234	22.7%	2,540	13.7%
	Recruiting Business	881	856	(2.9)%	860	0.5%	901	4.8%
	Information Publishing Business	3	114	3,268.1%	107	(6.0)%	187	74.3%
	Other	198	228	15.4%	243	6.4%	426	75.3%
	Adjustment	(619)	(720)	16.3%	(625)	(13.1)%	(626)	(0.1)%
Total	2,198	2,300	4.6%	2,820	22.6%	3,430	21.6%	

5 Supplementary Materials

5 Overseas Network

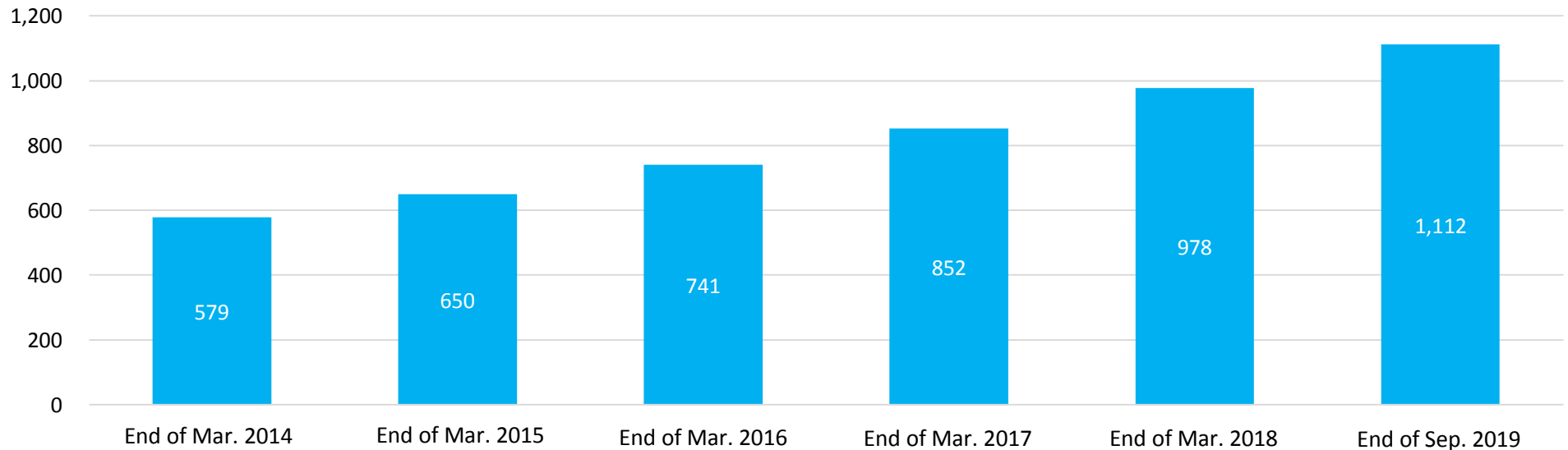


Overseas Subsidiaries and Services



Number of employees up by 134 from the end of March 2018

Number of employees (All group companies)



Note: The number of employees is the “number of full-time employees + number of temporary employees (with social insurance)” at the end of each period.

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Consequently, actual performance may differ significantly from the forecasts in this presentation.

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