

**Summary of Consolidated Financial Results for the First Quarter
of the Fiscal Year Ending March 31, 2023
(Three Months Ended June 30, 2022)**

[Japanese GAAP]

July 29, 2022

Company name: QUICK CO., LTD.

Listing: First Section, Tokyo Stock Exchange

Stock code: 4318

URL: <https://919.jp/>

Representative: Tsutomu Wano, Chairman

Contact: Kenta Kijima, Director and Executive Officer,

General Manager of Administration and Accounting Division

Tel: +81-6-6366-0919

Scheduled date of filing of Quarterly Report:

August 10, 2022

Scheduled date of payment of dividend:

-

Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting:

None

(All amounts are rounded down to the nearest million yen.)

**1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2023
(April 1, 2022 – June 30, 2022)**

(1) Consolidated results of operations

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended Jun. 30, 2022	8,551	21.2	3,319	34.4	3,339	34.2	2,314	31.6
Three months ended Jun. 30, 2021	7,053	14.2	2,470	28.3	2,488	28.7	1,758	27.5

Note: Comprehensive income (millions of yen) Three months ended Jun. 30, 2022: 2,034 (up 13.2%)

Three months ended Jun. 30, 2021: 1,797 (up 16.0%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended Jun. 30, 2022	122.87		-	
Three months ended Jun. 30, 2021	93.36		-	

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Jun. 30, 2022	17,980	13,604	75.7	722.20
As of Mar. 31, 2022	18,002	12,098	67.2	642.21

Reference: Shareholders' equity (millions of yen) As of Jun. 30, 2022: 13,604 As of Mar. 31, 2022: 12,097

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2022	-	20.00	-	28.00	48.00
Fiscal year ending Mar. 31, 2023	-	-	-	-	-
Fiscal year ending Mar. 31, 2023 (forecast)	-	26.00	-	27.00	53.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 – March 31, 2023)

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	13,674	12.1	3,116	17.3	3,130	16.6	2,163	14.5	114.84
Full year	25,600	8.5	3,679	10.0	3,700	8.1	2,465	9.6	130.86

Note: Revisions to the most recently announced consolidated earnings forecast: None

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares outstanding (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Jun. 30, 2022:	19,098,576 shares	As of Mar. 31, 2022:	19,098,576 shares
----------------------	-------------------	----------------------	-------------------

2) Number of treasury shares at the end of the period

As of Jun. 30, 2022:	261,301 shares	As of Mar. 31, 2022:	261,301 shares
----------------------	----------------	----------------------	----------------

3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2022:	18,837,275 shares	Three months ended Jun. 30, 2021:	18,837,341 shares
-----------------------------------	-------------------	-----------------------------------	-------------------

* The current quarterly financial report is not subject to quarterly review by certified public accountants or accounting firms.

* Explanation of appropriate use of earnings forecasts, and other special items

Forecasts and forward-looking statements in these materials are based on assumptions judged to be valid and information available to the Company's management at the time the materials were prepared. These materials are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons. For discussion of the assumptions and other factors considered by the Company in preparing the above projections, please refer to page 3 of the attachments "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements."

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first three months of the fiscal year ending March 31, 2023, with COVID-19-related restrictions being eased, economic activities and consumer spending were slowly returning to normal in Japan. However, the economic outlook remains uncertain on the back of the yen's sharp depreciation, higher commodity prices partly due to surging raw material and energy costs driven by the prolonged Ukraine crisis, and concern over the repeated resurgence of COVID-19.

Meanwhile, in Japan's labor market, the seasonally adjusted job openings-to-applicants ratio was 1.24 and the seasonally adjusted unemployment rate was 2.6% in May 2022, showing a moderate recovery trend.

Under such business environment, the Group worked on differentiating the QUICK Group from competitors and increasing customer satisfaction by helping our client companies to solve their HR related problems by expanding operations in new strategic market sectors and strengthening coordination between the group companies. Furthermore, the Group strengthened the business base by restructuring the organizational structure in order to improve the productivity.

As a result, we achieved sales and earnings growth, both reaching all-time highs. Net sales increased 21.2% year-on-year to 8,551 million yen, operating profit increased 34.4% year-on-year to 3,319 million yen, ordinary profit increased 34.2% year-on-year to 3,339 million yen, and profit attributable to owners of parent increased 31.6% year-on-year to 2,314 million yen.

From the first quarter of the fiscal year ending March 31, 2023, Quick Care Jobs Co., Ltd. established in December 2021 has been included in the scope of consolidation as one of the Human Resources Service Business. Performance of the business segments is described as follows.

(Human Resources Services Business)

1) Personnel Placement

In the personnel placement category, corporate recruiting needs was robust in our focus fields such as the construction, electrical equipment, machinery, automobile and pharmaceutical industries. In addition, recruiting needs for nurses remained high in medical institutions and nursing-care facilities. Given this business environment, the personnel placement business for specific fields targeting construction and pharmaceutical related categories, various types of engineers as well as nurses placement recorded a large revenue growth. Those were the major results of our efforts including enhancing promotional activities, having more meetings with our client companies and registrants who wish to change careers, and providing an extensive support. Furthermore, we opened a website "Hoitomo Nagoya" dedicate to childcare professionals requiring information on recruitment and career change for reinforcing the childcare worker category in the Nagoya area.

2) Temporary Staffing, Temporary-to-Permanent Staffing, and Business Contracting

In the temporary staffing, temporary-to-permanent staffing and business contracting categories, in addition to lasting strong hiring needs for nurses at medical and welfare sectors, the needs for COVID-19-related staff contributed to the steady performance of temporary staffing of nurses. Meanwhile, robust demand for the temporary staffing of childcare workers expanded the performance.

Overall, sales of the Human Resources Service Business increased 19.6% year-on-year to 6,342 million yen and operating profit also increased 25.0% year-on-year to 2,973 million yen.

(Recruiting Business)

In the Recruiting Business, since the full lifting of the quasi-state of emergency in March 2022, corporate recruiting needs expanded in a wide range of sectors including restaurant, selling and service. This was partly due to a relatively subdued spread of COVID-19 and seasonal factors, such as the fact that student part-time workers tend to quit their jobs around the end of the Japanese academic year. In the mid-career hiring category, our focus "Indeed" business as well as recruiting advertisements for part-time workers posted a robust growth in revenue while the volume of recruiting advertisement for full-time employees and temporary workers expanded steadily

as well.

On the other hand, the performance of the new college graduate category remained roughly on par, but the positive performance was recorded in terms of the volume of advertisements in our internship websites for March 2024 new college graduates.

In addition, services other than the handling of recruiting advertisement also grew steadily. This was mainly due to the contribution from a consultation on new graduate and mid-career recruiting strategy, internship programs development and recruitment/corporate website creation.

Overall, sales of the Recruiting Business increased 36.2% year-on-year to 763 million yen and operating profit increased 223.7% year-on-year to 171 million yen.

(Information Publishing Business)

In the Information Publishing Business, the volume of recruiting advertisements in lifestyle information magazines increased in all the service areas while advertisement placements for sales promotion targeting restaurants and events and so on also picked up in Kanazawa and Niigata. However, the handling of housing-related ads remained stagnant in Kanazawa and Toyama. As a result, the lifestyle information magazine category as a whole performed almost flat.

Meanwhile, posting services including flyers distributed to households with lifestyle information magazines benefitted from strong handling of housing-related flyers in Toyama and Takaoka. Hence, the services grew solidly.

Furthermore, the concierge services we operate under the “cococolor” brand continued to perform well as the career change domain grew substantially on the back of strong recruiting needs in manufacturing, pharmaceutical-related and other fields. Additionally, this business category showed a healthy performance in the volume of “Indeed,” the production of a website for client companies and others. On the other hand, costs increased as we hired more talents to ramp up sales efforts, and to boost promotional activities.

Overall, sales of the Information Publishing Business increased 6.0% year-on-year to 549 million yen and operating profit decreased 3.9% to 65 million yen.

(IT and Internet-Related Business)

In the IT & Internet-Related Business category, “Nihon no Jinjibu” (Japan’s Human Resources Department) related service continued to enjoy strong demand for better business efficiency, labor saving, IT introduction to resolve issues in the HR domain, and services for improving motivation and retention of employees. Additionally, as the number of new COVID-19 cases shows declining trend, suppressed sales promotion needs started to recover for recruitment and training services. As a result, we achieved a substantial increase in advertising revenues from “Nihon no Jinjibu”—our portal website for personnel and labor relations. Furthermore, the online HR related event, “Nihon no Jinjibu HR Conference 2022-Spring-” held in May 2022 grew in revenue, which contributed to a significant renewal of record high performance of “Nihon no Jinjibu” related services in the first quarter of the fiscal year under review.

As for the system development category, the operating performance remained strong as we successfully reinforced sales activities targeting both new and existing clients, achieved early orders for development projects and secured engineers amid a recovery in corporate system investment. Meanwhile, the performance of the learning field almost leveled off due to steady orders for spring group trainings for new employees.

Overall, sales of the IT and Internet-Related Business increased 33.1% year-on-year to 612 million yen and operating profit also increased 74.9% year-on-year to 323 million yen.

(Overseas Business)

In North and Central America, as progress in vaccination was easing pandemic-related restrictions and returning economic activities to normalcy in the U.S., hiring sentiment was stimulated in a wide range of sectors, boosting the performance of the personnel placement and temporary staffing businesses. Meanwhile, we opened an office in Dallas, Texas, in January 2022 as the third operation base in the U.S. However, the Mexico business posted a

revenue decrease as the spreading Omicron variant forced local companies to slow down recruiting activities, and the number of job applicants showed little growth.

In Asia, full and partial lockdown measures were taken in Shanghai since March 2022 as a part of the zero-COVID policy to stamp out an Omicron-fueled wave. As a result, corporate recruiting activities were subdued and job seekers were losing motivation to change jobs, limiting our services and sales activities related to visa application services and education/training. Accordingly, revenue declined in both the personnel placement and personnel and labor consulting businesses. In Vietnam, with the gradual lifting of restrictions under a “living with COVID” policy, we focused on responding to hiring needs of foreign companies new to the local market in addition to those of companies in robust industries such as IT and construction. Therefore, the placement of Japanese and Vietnamese staff performed well. In Thailand, as the pandemic-induced restrictions were lifted step by step, a recovering economy improved corporate recruiting needs. However, our intense sales efforts were not able to compensate for negative factors, such as the fact that the start date of employment, our sales recognition date, delayed to the second quarter, resulting in revenue decline.

In the U.K., economic activities were vibrant and corporate recruiting demand remained brisk under a policy to live with COVID. With more job openings than job seekers, the personnel placement services as well as temporary staffing services performed well.

The Company’s Global Business Division also give sales supports to these overseas companies and worked on promoting the international career change supports (Cross Border Recruitment® services) and supporting other activities to attract more local registrants who want to change careers.

Overall, sales of the Other Businesses increased 35.4% year-on-year to 284 million yen and operating profit increased 689.7% year-on-year to 44 million yen.

(2) Explanation of Financial Position

Total assets at the end of the first quarter of the fiscal year under review were 17,980 million yen, which was 21 million yen less than at the end of the previous fiscal year. This was mainly the result of a decrease in investment securities despite an increase in cash and deposits.

Total liabilities were 4,376 million yen, which was 1,527 million yen less than at the end of the previous fiscal year. This was mainly the result of decreases in provision for bonuses and income taxes payable.

Total net assets were 13,604 million yen, which was 1,506 million yen more than at the end of the previous fiscal year. This was mainly the result of an increase in retained earnings due to the booking of profit attributable to owners of parent. The shareholders’ equity ratio improved 8.5 percentage points from the end of the previous fiscal year to 75.7%.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements

At this point, there are no revisions to the first-half and the full-year consolidated earnings forecasts for the fiscal year ending March 31, 2023, which were announced in the “Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (Japanese GAAP)” on April 28, 2022.

An announcement will be made promptly if the review of impact on the QUICK Group’s business performance requires a revision to this forecast.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

	(Thousands of yen)	
	FY3/22 (As of Mar. 31, 2022)	First quarter of FY3/23 (As of Jun. 30, 2022)
Assets		
Current assets		
Cash and deposits	10,509,984	10,936,651
Notes and accounts receivable-trade	2,349,801	2,391,271
Other	349,105	399,366
Allowance for doubtful accounts	(2,707)	(2,755)
Total current assets	13,206,183	13,724,534
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	820,299	853,852
Vehicles, net	1,971	1,854
Tools, furniture and fixtures, net	123,768	125,411
Land	176,789	176,789
Leased assets, net	5,682	5,042
Construction in progress	45,734	-
Total property, plant and equipment	1,174,244	1,162,950
Intangible assets		
Software	851,716	834,006
Software in progress	48,611	84,912
Goodwill	6,074	5,607
Other	10,659	10,659
Total intangible assets	917,061	935,185
Investments and other assets		
Investment securities	1,726,448	1,298,378
Leasehold deposits	711,400	712,176
Deferred tax assets	163,461	93,889
Other	110,875	60,434
Allowance for doubtful accounts	(6,926)	(6,556)
Total investments and other assets	2,705,259	2,158,322
Total non-current assets	4,796,566	4,256,458
Total assets	18,002,749	17,980,993

	(Thousands of yen)	
	FY3/22 (As of Mar. 31, 2022)	First quarter of FY3/23 (As of Jun. 30, 2022)
Liabilities		
Current liabilities		
Accounts payable-trade	520,197	463,209
Short-term borrowings	141,002	133,000
Accounts payable-other	1,237,670	937,589
Accrued expenses	674,565	677,865
Income taxes payable	1,038,195	695,692
Accrued consumption taxes	489,968	623,976
Provision for bonuses	1,071,547	146,932
Provision for bonuses for directors (and other officers)	73,330	-
Other	485,335	404,303
Total current liabilities	5,731,811	4,082,569
Non-current liabilities		
Deferred tax liabilities	61,565	182,970
Asset retirement obligations	105,275	105,653
Other	5,713	5,411
Total non-current liabilities	172,554	294,035
Total liabilities	5,904,366	4,376,604
Net assets		
Shareholders' equity		
Share capital	351,317	351,317
Capital surplus	391,392	391,392
Retained earnings	10,261,028	12,047,202
Treasury shares	(16,171)	(16,171)
Total shareholders' equity	10,987,566	12,773,740
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,084,720	786,493
Foreign currency translation adjustment	25,147	44,111
Total accumulated other comprehensive income	1,109,867	830,604
Non-controlling interests	949	43
Total net assets	12,098,383	13,604,388
Total liabilities and net assets	18,002,749	17,980,993

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income****(For the Three-month Period)**

	(Thousands of yen)	
	First three months of FY3/22 (Apr. 1, 2021 – Jun. 30, 2021)	First three months of FY3/23 (Apr. 1, 2022 – Jun. 30, 2022)
Net sales	7,053,692	8,551,797
Cost of sales	1,929,924	2,261,614
Gross profit	5,123,767	6,290,182
Selling, general and administrative expenses	2,652,971	2,970,198
Operating profit	2,470,796	3,319,983
Non-operating income		
Interest income	344	409
Dividend income	4,126	4,274
Foreign exchange gains	2,429	11,114
Other	11,271	8,608
Total non-operating income	18,171	24,407
Non-operating expenses		
Interest expenses	558	356
Information security expenses	-	4,144
Other	22	40
Total non-operating expenses	581	4,541
Ordinary profit	2,488,385	3,339,849
Extraordinary losses		
Loss on retirement of non-current assets	782	-
Total extraordinary losses	782	-
Profit before income taxes	2,487,603	3,339,849
Income taxes-current	579,008	703,226
Income taxes-deferred	150,551	323,093
Total income taxes	729,559	1,026,320
Profit	1,758,044	2,313,529
Loss attributable to non-controlling interests	(628)	(995)
Profit attributable to owners of parent	1,758,672	2,314,524

Quarterly Consolidated Statement of Comprehensive Income
(For the Three-month Period)

	(Thousands of yen)	
	First three months of FY3/22 (Apr. 1, 2021 – Jun. 30, 2021)	First three months of FY3/23 (Apr. 1, 2022 – Jun. 30, 2022)
Profit	1,758,044	2,313,529
Other comprehensive income		
Valuation difference on available-for-sale securities	14,767	(298,227)
Foreign currency translation adjustment	24,599	18,822
Total other comprehensive income	39,366	(279,404)
Comprehensive income	1,797,411	2,034,124
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,797,611	2,035,261
Comprehensive income attributable to non-controlling interests	(199)	(1,137)

(3) Notes to Quarterly Consolidated Financial Statements**Segment Information**

I. First three months of FY3/22 (Apr. 1, 2021 – Jun. 30, 2021)

1. Information pertaining to net sales and profit/loss in reportable segments and disaggregated revenue (Thousands of yen)

	Reportable Segment						Adjustment (Note 1)	Amount in the quarterly consolidated statement of income (Note 2)
	Human Resources Services Business	Recruiting Business	Information Publishing Business	IT & Internet- Related Business	Overseas Business (Note 3)	Total		
Net sales								
Revenue from contracts with customers	5,304,943	560,320	518,045	460,483	209,898	7,053,692	-	7,053,692
Other revenue	-	-	-	-	-	-	-	-
Sales to external customers	5,304,943	560,320	518,045	460,483	209,898	7,053,692	-	7,053,692
Inter-segment sales and transfers	-	3,135	1,251	25,392	-	29,778	(29,778)	-
Total	5,304,943	563,456	519,296	485,876	209,898	7,083,471	(29,778)	7,053,692
Segment profit	2,377,995	53,101	67,802	185,215	5,587	2,689,702	(218,906)	2,470,796

- Notes: 1. The (218,906) thousand yen adjustment to segment profit includes elimination for inter-segment transactions of 31,645 thousand yen, and (250,552) thousand yen in company-wide costs that cannot be allocated to any specific reportable segments. Company-wide costs consist primarily of expenses related to the administration division which are not attributable to any reportable segments, including general affairs and accounting at the Company.
2. Segment profit is adjusted with operating profit shown on the quarterly consolidated statement of income.
3. Countries and regions included in the Overseas Business are Japan, U.S. China, Mexico, U.K., Vietnam and Thailand.

2. Information pertaining to impairment losses of non-current assets, goodwill, etc. in reportable segments

Not applicable.

II. First three months of FY3/23 (Apr. 1, 2022 – Jun. 30, 2022)

1. Information pertaining to net sales and profit/loss in reportable segments and disaggregated revenue (Thousands of yen)

	Reportable Segment						Adjustment (Note 1)	Amount in the quarterly consolidated statement of income (Note 2)
	Human Resources Services Business	Recruiting Business	Information Publishing Business	IT & Internet- Related Business	Overseas Business (Note 3)	Total		
Net sales								
Revenue from contracts with customers	6,342,446	763,283	549,009	612,779	284,278	8,551,797	-	8,551,797
Other revenue	-	-	-	-	-	-	-	-
Sales to external customers	6,342,446	763,283	549,009	612,779	284,278	8,551,797	-	8,551,797
Inter-segment sales and transfers	300	3,806	2,747	22,705	-	29,560	(29,560)	-
Total	6,342,747	767,089	551,757	635,485	284,278	8,581,357	(29,560)	8,551,797
Segment profit	2,973,093	171,894	65,145	323,942	44,122	3,578,198	(258,215)	3,319,983

- Notes: 1. The (258,215) thousand yen adjustment to segment profit includes elimination for inter-segment transactions of 36,023 thousand yen, and (294,239) thousand yen in company-wide costs that cannot be allocated to any specific reportable segments. Company-wide costs consist primarily of expenses related to the administration division which are not attributable to any reportable segments, including general affairs and accounting at the Company.
2. Segment profit is adjusted with operating profit shown on the quarterly consolidated statement of income.
3. Countries and regions included in the Overseas Business are Japan, U.S. China, Mexico, U.K., Vietnam and Thailand.

2. Information pertaining to impairment losses of non-current assets, goodwill, etc. in reportable segments

Not applicable.

This summary report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.