

**Summary of Consolidated Financial Results for the Third Quarter
of the Fiscal Year Ending March 31, 2023
(Nine Months Ended December 31, 2022)**

[Japanese GAAP]

January 31, 2023

Company name: QUICK CO., LTD.

Listing: Tokyo Stock Exchange, Prime Market

Stock code: 4318

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

Representative: Tsutomu Wano, Chairman

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Scheduled date of filing of Quarterly Report:

February 10, 2023

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 Third Quarter of the Fiscal Year Ending March 31, 2023
(April 1, 2022 – December 31, 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	%
Nine months ended Dec. 31, 2022	21,052	19.8	4,206	29.9	4,254	29.9	3,018	32.2
Nine months ended Dec. 31, 2021	17,569	20.9	3,238	85.5	3,276	70.9	2,284	72.2

Note: Comprehensive income (millions of yen) Nine months ended Dec. 31, 2022: 2,829 (up 7.3%)
 Nine months ended Dec. 31, 2021: 2,636 (up 61.5%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine months ended Dec. 31, 2022	160.06		–	
Nine months ended Dec. 31, 2021	121.25		–	

(2) Consolidated financial position

	Total assets		Net assets		Shareholders' equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of Dec. 31, 2022	19,237		13,953		72.5		738.70	
As of Mar. 31, 2022	18,002		12,098		67.2		642.21	

Reference: Shareholders' equity (millions of yen) As of Dec. 31, 2022: 13,951 As of Mar. 31, 2022: 12,097

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen				
Fiscal year ended Mar. 31, 2022	–	20.00	–	28.00	48.00
Fiscal year ending Mar. 31, 2023	–	26.00	–		
Fiscal year ending Mar. 31, 2023 (forecast)				38.00	64.00

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	
Full year	27,300	15.7	4,400	31.5	4,450	30.0	2,991	33.0	158.53	

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): Yes

Newly included: – companies (Company name) Excluded: 1 (Kronos Co., LTD.)

(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 Dec. 31, 2022:	19,098,576 shares	As of Mar. 31, 2022:	19,098,576 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2022:	211,355 shares	As of Mar. 31, 2022:	261,301 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2022:	18,860,823 shares	Nine months ended Dec. 31, 2021:	18,837,322 shares
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* 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 4 of the attachments "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements."

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first nine months of the fiscal year ending March 31, 2023, the Japanese economy showed signs of moderate recovery after restrictions on activities had been eased to normalize economic activities and consumer spending. However, the economic outlook remains uncertain due mainly to the resurgence of COVID-19 at the end of 2022, the prolonged Ukraine crisis, surging resources and raw material costs, and higher commodity prices because of the weak yen.

Meanwhile, in Japan's labor market, the seasonally adjusted job openings-to-applicants ratio was 1.35 and the seasonally adjusted unemployment rate was 2.5% in November 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 19.8% year-on-year to 21,052 million yen, operating profit increased 29.9% year-on-year to 4,206 million yen, ordinary profit increased 29.9% year-on-year to 4,254 million yen, and profit attributable to owners of parent increased 32.2% year-on-year to 3,018 million yen.

From the first quarter of the fiscal year ending March 31, 2023, Quick Care Jobs Co., Ltd., which was a non-consolidated subsidiary in the previous fiscal year, has been included in the scope of consolidation as one of the Human Resources Service Business due to its increased importance. From the third quarter of the fiscal year ending March 31, 2023, Kronos Co., LTD., which belonged to IT and Internet-Related Business, has been excluded from the scope of consolidation as the Company transferred all of its shares in the company as of October 3, 2022.

Performance of the business segments is described as follows.

(Human Resources Services Business)

1) Personnel Placement

In the personnel placement category, corporate recruiting needs were robust in fields such as the construction, electrical equipment, machinery, and automobile industries. In addition, recruiting needs for nurses still remained high in medical, nursing-care, and other facilities. Under these circumstances, 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 while childcare professionals placement business posted steady performance. Those were the major results of our continued efforts including developing enticing new fields, enhancing promotional activities to attract registrants, having more meetings with our client companies and registrants who wish to change careers, and providing swift and extensive support.

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 temporary staffing of nurses was favorable as call centers continued to show an intensive need for staff, including during the resurgence of COVID-19 at the end of 2022. Meanwhile, robust demand for the temporary staffing of childcare workers led to an increase in revenue although the spread of COVID-19 forced some nursery schools to temporarily close and temporary staff to take leave.

Overall, sales of the Human Resources Service Business increased 19.2% year-on-year to 14,559 million yen and operating profit also increased 24.6% year-on-year to 3,611 million yen.

(Recruiting Business)

In the Recruiting Business, continuously helped by the absence of COVID-19 prevention measures such as restrictions on activities, corporate hiring needs increased in transportation and logistics sectors as well as restaurant, selling, and service sectors. The increase was also in anticipation of growing tourism and pent-up demand from foreign tourists

following the implementation of the government's nationwide travel support program and relaxation of border control measures, and the busy year-end and New Year holiday season. Additionally, recruitment needs also remained strong in sectors including medical and welfare suffering chronic labor shortages. Under such circumstances, 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 new college graduate category posted a slight decrease in revenue due to an intensifying competition with competitors. In addition, services other than the handling of recruiting advertisement grew. Such services include program development for internships and company information sessions to recruit new graduates, recruiting staff training, and recruitment website and other production services. In such a situation, we worked to enhance our sales base by activating recruitment activities, providing training programs, and enhancing promotional activities.

Overall, sales of the Recruiting Business increased 25.7% year-on-year to 2,387 million yen and operating profit increased 39.1% year-on-year to 399 million yen.

(Information Publishing Business)

In the Information Publishing Business, as for the lifestyle information magazine category, sales promotion sentiment of our client companies tended to decrease amid the continuously challenging business environment due mainly to the prolonged COVID-19 crisis and soaring material prices. In such a situation, advertisement placements for sales promotion targeting restaurants and other businesses remained roughly flat, while the handling of housing-related advertising declined. However, a robust job market in the Hokuriku region and Niigata boosted the volume of recruiting advertisement in all the service areas, almost leveling off the performance of the lifestyle information magazine category as a whole. Meanwhile, posting services including flyers distributed to households with lifestyle information magazines grew solidly, especially in the handling of housing and retail-related flyers, as such services enable sales promotions in targeted areas. Furthermore, in the concierge services we operate under the "cococolor" brand, the career change domain expanded steadily on the back of continuing strong recruiting needs in manufacturing-related and other jobs. Additionally, this business category showed a healthy performance in the volume of "Indeed," the production of websites and others. On the other hand, personnel expenses increased with the return of profits to employees reflecting the business performance.

Overall, sales of the Information Publishing Business increased 8.0% year-on-year to 1,707 million yen and operating profit decreased 42.8% year-on-year to 101 million yen.

(IT and Internet-Related Business)

In the IT & Internet-Related Business category, the market for "Nihon no Jinjibu" (Japan's Human Resources Department) related service continues to enjoy a strong demand for better business efficiency, labor saving, IT introduction to resolve issues in the HR domain, human resources recruitment, and services for improving motivation and retention of employees. Additionally, as the progressive relaxation of COVID-19-related restrictions enhanced needs to attract participants to training events and seminars related to human resources development and personnel and labor issues, we achieved a substantial increase in advertising revenues from "Nihon no Jinjibu"—our portal website for personnel and labor relations. Furthermore, the successful online HR related event, "Nihon no Jinjibu HR Conference 2022-Fall—" held in November 2022 also contributed to a renewal of record high performance of "Nihon no Jinjibu" related services in the first nine months of the fiscal year under review.

As for the system development category and the learning field, in October 2022, the Company sold all of its shares in Kronos Co., LTD., and accordingly, the company's results are excluded from the consolidated results from the third quarter of the fiscal year under review.

Overall, sales of the IT and Internet-Related Business increased 17.9% year-on-year to 1,393 million yen and operating profit also increased 53.8% year-on-year to 670 million yen.

(Overseas Business)

In the U.S., economic activities were returning to normalcy and hiring sentiment was stimulated. Furthermore, inflation-led wage increases pushed up placement fees and staffing sales, and our newly opened Dallas office went into full-scale operation, boosting the performance of the personnel placement and temporary staffing businesses. In Mexico where the

economy was recovering, various measures we took, in addition to bolstering sales efforts, were effective, resulting in favorable performance. Specifically, the measures include enhancing corporate explanatory materials of recruiting companies to help job seekers better understand them, and promoting an acquaintance introduction system to attract more registrants.

In the U.K., corporate recruiting demand remained brisk despite the prolonged Ukraine crisis and ongoing inflation, including high energy prices. In addition to this favorable business environment, inflation led to higher placement fees and staffing sales as in the U.S., and our in-house consultants became more effective in their jobs, boosting the performance in the personnel placement and temporary staffing businesses.

In China, while restrictions on activities remained in place even after lockdown measures were lifted in Shanghai, companies gradually began to resume sales and recruitment activities. Against the backdrop of this business environment, the performance showed a recovery trend in both the personnel placement business, and the personnel and labor consulting business including advisory service and visa application services. In Vietnam, the uncertain outlook for the economy and the weak yen affected the hiring needs of local Japanese companies, which recovered only at a moderate pace, despite robust hiring needs seen in some industries such as IT and construction. As a result, the performance remained roughly on par. In Thailand, an increasing number of tourists helped drive the economic recovery, which gradually improved corporate recruiting needs. In such a situation, we enhanced our manpower by stepping up recruitment efforts and concentrated our sales efforts on all fields with higher recruiting needs, among other efforts, achieving an increase in revenue.

Overall, sales of the Overseas Business increased 45.9% year-on-year to 1,003 million yen and operating profit increased 542.6% year-on-year to 155 million yen.

(2) Explanation of Financial Position

Total assets at the end of the third quarter of the fiscal year under review were 19,237 million yen, which was 1,234 million yen more than at the end of the previous fiscal year. This was mainly the result of an increase in cash and deposits despite a decrease in investment securities.

Total liabilities were 5,284 million yen, which was 620 million yen less than at the end of the previous fiscal year. This was mainly the result of a decrease in income taxes payable despite an increase in accrued expenses.

Total net assets were 13,953 million yen, which was 1,854 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 5.3 percentage points from the end of the previous fiscal year to 72.5%.

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

At this point, there are no revisions to the full-year consolidated earnings forecasts for the fiscal year ending March 31, 2023, which were announced in the "Notice of Revisions to the Earnings Forecast and Year-end Dividend Forecast (Dividend Increase)" dated October 31, 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)	Third quarter of FY3/23 (As of Dec. 31, 2022)
Assets		
Current assets		
Cash and deposits	10,509,984	12,066,072
Notes and accounts receivable-trade	2,349,801	2,137,779
Other	349,105	486,586
Allowance for doubtful accounts	(2,707)	(2,427)
Total current assets	13,206,183	14,688,012
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	820,299	822,321
Vehicles, net	1,971	2,039
Tools, furniture and fixtures, net	123,768	116,391
Land	176,789	176,789
Leased assets, net	5,682	3,761
Construction in progress	45,734	-
Total property, plant and equipment	1,174,244	1,121,303
Intangible assets		
Software	851,716	890,887
Software in progress	48,611	95,428
Goodwill	6,074	4,672
Other	10,659	10,646
Total intangible assets	917,061	1,001,634
Investments and other assets		
Investment securities	1,726,448	1,361,928
Leasehold deposits	711,400	812,531
Deferred tax assets	163,461	198,328
Other	110,875	59,310
Allowance for doubtful accounts	(6,926)	(5,858)
Total investments and other assets	2,705,259	2,426,240
Total non-current assets	4,796,566	4,549,177
Total assets	18,002,749	19,237,190

(Thousands of yen)

	FY3/22 (As of Mar. 31, 2022)	Third quarter of FY3/23 (As of Dec. 31, 2022)
Liabilities		
Current liabilities		
Accounts payable-trade	520,197	499,403
Short-term borrowings	141,002	141,000
Accounts payable-other	1,237,670	1,150,118
Accrued expenses	674,565	843,718
Income taxes payable	1,038,195	704,713
Accrued consumption taxes	489,968	587,643
Provision for bonuses	1,071,547	995,679
Provision for bonuses for directors (and other officers)	73,330	–
Asset retirement obligations	–	34,085
Other	485,335	208,791
Total current liabilities	5,731,811	5,165,152
Non-current liabilities		
Deferred tax liabilities	61,565	1,960
Asset retirement obligations	105,275	111,905
Other	5,713	5,134
Total non-current liabilities	172,554	118,999
Total liabilities	5,904,366	5,284,151
Net assets		
Shareholders' equity		
Share capital	351,317	351,317
Capital surplus	391,392	433,071
Retained earnings	10,261,028	12,260,451
Treasury shares	(16,171)	(13,350)
Total shareholders' equity	10,987,566	13,031,488
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,084,720	828,796
Foreign currency translation adjustment	25,147	91,670
Total accumulated other comprehensive income	1,109,867	920,466
Non-controlling interests	949	1,083
Total net assets	12,098,383	13,953,038
Total liabilities and net assets	18,002,749	19,237,190

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

	(Thousands of yen)	
	First nine months of FY3/22 (Apr. 1, 2021 – Dec. 31, 2021)	First nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)
Net sales	17,569,917	21,052,693
Cost of sales	6,010,860	6,763,350
Gross profit	11,559,057	14,289,342
Selling, general and administrative expenses	8,320,558	10,083,284
Operating profit	3,238,499	4,206,058
Non-operating income		
Interest income	1,177	1,462
Dividend income	8,044	8,453
Foreign exchange gains	–	24,428
Other	32,116	44,660
Total non-operating income	41,338	79,005
Non-operating expenses		
Interest expenses	1,728	1,148
Foreign exchange losses	1,871	–
Commission expenses	–	25,000
Information security expenses	–	4,144
Other	66	199
Total non-operating expenses	3,665	30,493
Ordinary profit	3,276,172	4,254,571
Extraordinary income		
Gain on sale of non-current assets	–	122
Gain on sale of shares of subsidiaries and associates	–	171,296
Total extraordinary income	–	171,418
Extraordinary losses		
Loss on retirement of non-current assets	782	–
Impairment losses	–	24,986
Loss on store closings	–	25,750
Total extraordinary losses	782	50,737
Profit before income taxes	3,275,390	4,375,253
Income taxes-current	941,792	1,352,516
Income taxes-deferred	51,403	4,169
Total income taxes	993,195	1,356,685
Profit	2,282,194	3,018,567
Loss attributable to non-controlling interests	(1,834)	(273)
Profit attributable to owners of parent	2,284,028	3,018,841

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

	(Thousands of yen)	
	First nine months of FY3/22 (Apr. 1, 2021 – Dec. 31, 2021)	First nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)
Profit	2,282,194	3,018,567
Other comprehensive income		
Valuation difference on available-for-sale securities	326,676	(255,924)
Foreign currency translation adjustment	27,957	66,699
Total other comprehensive income	354,634	(189,224)
Comprehensive income	2,636,829	2,829,342
Comprehensive income attributable to:		
Owners of parent	2,637,907	2,829,439
Non-controlling interests	(1,078)	(97)

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

I. First nine months of FY3/22 (Apr. 1, 2021 – Dec. 31, 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	12,218,172	1,900,166	1,581,855	1,182,149	687,573	17,569,917	–	17,569,917
Other revenue	–	–	–	–	–	–	–	–
Sales to external customers	12,218,172	1,900,166	1,581,855	1,182,149	687,573	17,569,917	–	17,569,917
Inter-segment sales and transfers	208	10,129	5,302	70,533	–	86,173	(86,173)	–
Total	12,218,380	1,910,296	1,587,157	1,252,682	687,573	17,656,091	(86,173)	17,569,917
Segment profit	2,897,977	287,397	177,760	435,791	24,208	3,823,135	(584,636)	3,238,499

Notes: 1. The (584,636) thousand yen adjustment to segment profit includes elimination for inter-segment transactions of 96,802 thousand yen, and (681,439) 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 nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 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	14,559,568	2,387,946	1,707,765	1,393,990	1,003,423	21,052,693	–	21,052,693
Other revenue	–	–	–	–	–	–	–	–
Sales to external customers	14,559,568	2,387,946	1,707,765	1,393,990	1,003,423	21,052,693	–	21,052,693
Inter-segment sales and transfers	4,034	22,611	6,771	47,732	2,966	84,116	(84,116)	–
Total	14,563,602	2,410,557	1,714,536	1,441,723	1,006,389	21,136,810	(84,116)	21,052,693
Segment profit	3,611,271	399,713	101,641	670,115	155,562	4,938,304	(732,245)	4,206,058

- Notes: 1. The (732,245) thousand yen adjustment to segment profit includes elimination for inter-segment transactions of 103,623 thousand yen, and (835,868) 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

(Significant impairment losses on non-current assets)

The “Information Publishing Business” segment reported an impairment loss of 24,986 thousand yen for the first nine months of the fiscal year under review.