QUICK CO.,LTD.

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2016

[Japanese GAAP]

April 28, 2016

Company name: QUICK CO., LTD. Listing: First Section, Tokyo Stock Exchange
Stock code: 4318 URL: http://919.jp/
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Scheduled date of Annual General Meeting of Shareholders: June 22, 2016
Scheduled date of filing of Annual Securities Report: June 22, 2016
Scheduled date of payment of dividend: June 23, 2016
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 – March 31, 2016)

(1) Consolidated results of operations (Percentages shown for net sales and incomes represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2016	12,498	10.8	1,687	22.0	1,737	17.1	1,170	18.4
Fiscal year ended Mar. 31, 2015	11,279	10.6	1,383	33.8	1,483	37.6	988	48.5

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2016:1,156 (down 4.5%)
Fiscal year ended Mar. 31, 2015:1,210 (up 73.4%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2016	62.30	-	27.0	24.6	13.5
Fiscal year ended Mar. 31, 2015	52.61	-	27.9	24.7	12.3

Reference: Equity in earnings of affiliates (million yen): Fiscal year ended Mar. 31, 2016: - Fiscal year ended Mar. 31, 2015: -

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2016	7,331	4,708	64.2	250.64
As of Mar. 31, 2015	6,785	3,977	58.4	211.09

Reference: Shareholders' equity (million yen) As of Mar. 31, 2016: 4,708 As of Mar. 31, 2015: 3,965

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2016	954	(221)	(452)	3,400
Fiscal year ended Mar. 31, 2015	1,242	(64)	(466)	3,121

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2015	-	12.00	-	9.00	21.00	394	39.9	11.1
Fiscal year ended Mar. 31, 2016	-	13.00	-	12.00	25.00	469	40.1	10.8
Fiscal year ending Mar. 31, 2017 (forecast)	-	14.00	-	13.00	27.00		41.0	

Note: Breakdown of 2Q-end dividends for the fiscal year ended Mar. 31, 2015:
Ordinary dividends: 7.00 yen; Commemorative dividends: 5.00 yen

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	6,915	10.2	1,306	2.4	1,338	2.6	899	4.6	47.85
Full year	13,600	8.8	1,770	4.9	1,820	4.8	1,238	5.8	65.89

*** Notes**

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

(2) 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

(3) Number of shares outstanding (common shares)

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

As of Mar. 31, 2016:	19,098,576 shares	As of Mar. 31, 2015:	19,098,576 shares

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

As of Mar. 31, 2016:	310,980 shares	As of Mar. 31, 2015:	310,980 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2016:	18,787,596 shares	Fiscal year ended Mar. 31 2015:	18,787,596 shares

Reference: Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 – March 31, 2016)

(1) Non-consolidated results of operations (Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2016	8,362	15.8	1,403	28.8	1,623	19.4	1,123	22.1
Fiscal year ended Mar. 31, 2015	7,224	13.2	1,089	36.6	1,360	41.0	920	63.7

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2016	59.80	-
Fiscal year ended Mar. 31, 2015	48.98	-

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2016	6,324	4,339	68.6	230.98
As of Mar. 31, 2015	5,777	3,638	63.0	193.68

Reference: Shareholders' equity (million yen): As of Mar. 31, 2016: 4,339 As of Mar. 31, 2015: 3,638

* Indication of audit procedure implementation status

As the current financial report is exempted from audit procedures based on the Financial Instruments and Exchange Act, the audit procedures for the consolidated financial statements have not been completed at the time of disclosure.

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

Forecasts of future performance 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 1 of the attachments "1. Analysis of Results of Operations and Financial Position, (1) Analysis of Results of Operations."

1. Analysis of Results of Operations and Financial Position

(1) Analysis of Results of Operations

Summary of the fiscal year

During the fiscal year ended March 31, 2016, initially the Japanese economy maintained a state of moderate recovery, as the yen continued to depreciate, favorable stock market performance prompted an increase in exports, income improved, and a recovery in consumer confidence was expected. Entering the second quarter, however, deceleration of the Chinese economy and falling crude oil prices led to global economic stagnation. Furthermore, the yen began to appreciate in foreign exchange markets, and corporate production activity slowed. In addition, consumer activity languished as the stock market entered an adjustment phase, causing the overall economic to stall.

The overall employment situation in Japan was sluggish for the economy in general, but with human resources diminishing as a result of the falling birthrate and corporate operating performance relatively firm, levels of corporate hiring interest remained strong, with companies across a broad range of sectors continuing their efforts to secure human resources. As a result, the overall unemployment rate (seasonally adjusted) was 3.2% in October 2015, falling to the lowest level since April 1997. In January 2016, the effective opening-to-application ratio (seasonally adjusted) was 1.28 times, the highest level since December 1991.

Operating in this environment, the QUICK Group strove to reinforce existing services, cultivate new fields of focus and leverage the operational knowhow it has accumulated to date. In these ways, the Group worked to differentiate itself from competitors and enhance customer satisfaction by offering solutions and proposing services to address the recruitment, personnel and management issues client companies face.

As a result, net sales increased 10.8% year-on-year to 12,498 million yen, operating income increased 22.0% year-on-year to 1,687 million yen, ordinary income increased 17.1% year-on-year to 1,737 million yen and profit attributable to owners of parent increased 18.4% year-on-year to 1,170 million yen.

Business segment performance (reportable segments and others) was as follows.

(Recruiting Business)

In the Recruiting Business, the handling of recruiting advertisements was favorable, centered on the registration of temporary staff and soliciting part-time workers. The handling of recruiting advertisements soliciting full-time employees was also robust. Consequently, the handling of recruiting advertisements was strong across the mid-career hiring domain.

In the new graduate hiring domain, the handling of new graduate recruiting advertisements targeting university students scheduled to graduate in March 2017, for which sales began in March 2016, grew increasingly difficult due to more stringent competition. However, we were able to maintain solid operating performance by working steadily to meet recruiting advertisement needs targeting university students scheduled to graduate in March 2016, which began in April 2015.

In addition, we experienced a rise in the handling of recruiting business-related services, such as agency recruiting operations and aptitude testing, leading to favorable operating performance.

Segment sales increased 15.8% year-on-year to 3,294 million yen and operating income increased 30.7% year-on-year to 878 million yen.

(Human Resources Services Business)

1) Employment Agency

In employment agency, corporate recruiting needs in construction and civil engineering, manufacturing and other sectors remained vigorous, leading to solid performance targeting general companies. The introduction of nurses to hospitals and nursing care facilities also led to favorable operating performance, given the vigorous recruiting needs of healthcare institutions.

In these sectors and categories with high recruiting needs, competition with other companies to attract registrants continued. However, we worked conscientiously both with companies and healthcare institutions considering recruiting and with registrants. Also, we operated the “Kango-roo!” nurse communication site to quickly disseminate answers to national nursing exams, strengthened our content services on various other sites we operate and stepped up promotions to attract registrants. In these ways, we strove to differentiate ourselves from competitors and enhance customer satisfaction.

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

In temporary staffing, temporary-to-permanent staffing and business contracting, staff placement to the medical and welfare sectors was favorable. Also, the part-time staff placement that commenced in the year under review gained traction. Investing aggressively toward the future, in March 2016 we launched a dedicated website, “Haken de Part.”

With the employment situation improving, however, the number of job seekers looking for full-time employment increased, making it more difficult to attract registrants seeking temporary assignments. Around the end of the fiscal year, staff placement in PC setup and other IT-related areas grew sluggish. In addition, business in the home electronics repair and maintenance category, which surfaced in the preceding fiscal year, was absent this year. Profitability suffered as a result of these factors.

Segment sales increased 11.1% year-on-year to 6,629 million yen and operating income decreased 0.4% year-on-year to 1,136 million yen.

(Information Publishing Business)

In the Information Publishing Business, the handling of housing advertisements in mainstay lifestyle information magazines expanded in all areas. In the Ishikawa area, the handling of shop advertisements and other town advertisements, and recruiting advertisements was favorable. In the Toyama and Niigata areas, however, the handling of advertising was sluggish, leading to flat overall performance year on year in lifestyle information magazines.

In information magazines with focused customer and readership targets, we increased the publication frequency of the home information magazine “Iezukuri Navi,” causing operating performance to increase. Also, “Cococolor iezukuri.” and other concierge (face-to-face consultation) services were favorable. However, door-to-door distribution of insert flyers floundered, as client companies pulled away from these activities.

In this environment, we published and worked proactively to entrench new media. In March 2016, we published for the first time a home casebook called “Tateta” as a separate issue of “Iezukiri Navi” for people in the Ishikawa area who are beginning to think about building homes. We also published our fourth edition of “Lunch Fan!,” a dining guide that has been well received among readers and restaurants alike.

Segment sales increased 0.7% year-on-year to 1,668 million yen and operating income increased 21.0% year-on-year to 44 million yen.

(Other Businesses)

1) Internet-Related Business

In Internet-Related Business, promotional needs remained vigorous for companies involved in corporate personnel recruiting and cultivation, and personnel services to provide welfare and other support. The success of special features and expanded orders at fiscal year-end led to steady increases in advertising revenues for “Nihon no Jinjibu (Japan’s Human Resources Department),” a total information site pertaining to personnel and labor.

Against this backdrop, the Nihon no Jinjibu “HR Conference” has become a major spring and autumn HR event. In the fourth quarter, we held the Nihon no Jinjibu “Professional Network” New Year’s event, which was attended by around 200 managers in the human resources services sector. Through activities such as these, we worked to foster interaction and friendship among the human resources service sector, provide opportunities to build networks and further instill the “Nihon no Jinjibu” brand.

2) Overseas Business

In Overseas Business, QUICK USA, Inc., benefited from a steadily improving employment situation, thanks to the gradual expansion of the U.S. economy. As it has also become more difficult for foreigners to obtain working visas, Japanese companies' needs to recruit full-time employees have increased, leading to favorable operating performance in employment agency. With corporate recruiting needs for full-time employees growing, however, an increasing number of job seekers are looking for full-time employment, leading to sluggish performance in temporary staffing.

As one aspect of its measures to prevent trouble with staff, SHANGHAI QUICK CO.,LTD. experienced growing demand for its corporate personnel and labor consulting services. Amid sales team restructuring, reorganizations at existing customers and efforts to cultivate new customers, personnel and labor consulting are on a recovery trend. Due to deceleration in the Chinese economy, however, overall performance fell short of improving. Against this backdrop, the company gathered and analyzed salary data on some 9,000 Chinese employees of Japanese companies in a salary survey report entitled "Salary Survey 2016." By issuing this regular product and introducing new services such as salary and compensation analysis, the company worked to achieve a recovery in operating performance.

Segment sales increased 11.9% year-on-year to 906 million yen and operating income increased 88.4% year-on-year to 99 million yen.

Forecasts for the next fiscal year

In the fiscal year ending March 31, 2017, at the moment the Japanese economy is sluggish due to lack of stimulus. However, the supplementary budget and the latent impact of low crude oil prices are pushing up real household purchasing power. These factors, plus a bottoming out in corporate earnings, should provide support for the economy. Nevertheless, the slow pace of recovery in overseas economies, downward pressure on corporate earnings stemming from yen appreciation and ongoing stock price declines, and an increasingly opaque outlook are likely to hold back the economy. We therefore expect the economic recovery to be weak.

Looking at the employment situation, however, in addition to such structural issues as a decreasing number of personnel due to a falling birthrate and high levels of corporate earnings—despite low rates of corporate earnings growth—we believe corporate hiring interest will remain strong and anticipate favorable performance going forward.

Under these circumstances, in the Recruiting Business we plan to focus on the recruiting of staff and development of young personnel, cultivate new customers and strengthen relations with existing customers in order to increase the number of companies with which we conduct business. In addition to recruiting advertisements, we will endeavor to strengthen sales of agency recruiting operations and proposal-oriented products, such as training. By doing so, we will endeavor to provide one-stop solutions to the recruiting and personnel issues our client companies face, thereby differentiating ourselves from competitors and enhancing customer satisfaction.

In the Human Resources Services Business, competition is expected to grow increasingly stringent in employment agency. We will address this situation by reinforcing content on the various sites we operate to attract registrants and run effective promotions. Through these efforts, we will strengthen operations in existing domains, such as the introduction of nurses, and endeavor to cultivate new sectors. At the same time, we will aim to elicit the strengths of new graduate recruits and young consultants early on, focusing on human resources development.

In temporary staffing, temporary-to-permanent staffing and business contracting, we will continue to increase the number of registrants in the medical and welfare sectors. With regard to the part-time staff placement that we initiated in the fiscal year ended March 2016, we will leverage the specialized "Haken de Part" site to attract registrants, step up our sales efforts and aim to augment operating performance.

In the Information Publishing Business, we will increase the volume of information in existing media and develop Web-linked services to make our products more attractive. We will also seek to entrench and develop further variations of new media we have launched in recent years. By strengthening our concierge (face-to-face consultation) services, such as housing, job changes and bridal, we aim to create media and provide services that benefit client companies, readers and users alike.

In the Internet-Related Business, leveraging the information base of our "Nihon no Jinjibu" site, we will enhance content and expand functionality to increase its ability to attract customers. By increasing the scale of the "HR Conference," we will strengthen the "Nihon no Jinjibu" brand and take advantage of this infrastructure to strengthen peripheral services and inaugurate new services. Through these efforts, we will build networks in the human resources services sector, and promote sales at client companies and support efforts to attract customers.

In Overseas Business, we will strike a strong balance among employment agency and temporary staffing and personnel and labor consulting. We also aim to establish ourselves as a partner that helps to resolve human resources issues at client companies.

As a result, we expect consolidated net sales of 13,600 million yen (up 8.8% year-on-year), operating income of 1,770 million yen (up 4.9%), ordinary income of 1,820 million yen (up 4.8%), and profit attributable to owners of parent of 1,238 million yen (up 5.8%) for the fiscal year ending March 31, 2017.

(2) Analysis of Financial Position

1) Assets, liabilities and net assets

Total assets at the end of the fiscal year under review increased 8.0% year-on-year to 7,331 million yen, which was 545 million yen more than at the end of the previous fiscal year. This was mainly the result of increases in cash and deposits, and notes and accounts receivable-trade.

Total liabilities at the end of the fiscal year under review decreased 6.6% year-on-year to 2,622 million yen, which was 185 million yen less than at the end of the previous fiscal year. This was mainly due to a decrease of accrued consumption taxes.

Consolidated net assets at the end of the fiscal year under review increased 18.4% year-on-year to 4,708 million yen, which was 731 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.

Consequently, the shareholders' equity ratio increased 5.8 percentage points from the end of the previous fiscal year to 64.2%.

2) Cash flows

Cash and cash equivalents (hereinafter referred to as "net cash") increased 279 million yen from the end of the previous fiscal year to 3,400 million yen at the end of the current fiscal year. Outflows included income taxes paid and cash dividends paid, while inflows included profit before income taxes.

Cash flows by category were as follows.

Cash flows from operating activities

Net cash provided by operating activities decreased 23.2% year-on-year to 954 million yen. Negative factors include income taxes paid of 598 million yen and a decrease of 175 million yen in accrued consumption taxes. Positive factor includes profit before income taxes of 1,731 million yen.

Cash flows from investing activities

Net cash used in investing activities increased 242.0% year-on-year to 221 million yen. Negative factors include purchase of non-current assets of 212 million yen, while positive factor includes proceeds from sales of investment securities of 8 million yen.

Cash flows from financing activities

Net cash used in financing activities decreased 3.0% year-on-year to 452 million yen. Negative factors include cash dividends paid of 412 million yen and repayments of lease obligations of 15 million yen.

Reference: Cash flow indicators

	FY3/12	FY3/13	FY3/14	FY3/15	FY3/16
Shareholders' equity ratio (%)	52.5	58.6	60.1	58.4	64.2
Shareholders' equity ratio based on market value (%)	83.3	117.4	211.2	228.1	226.0
Ratio of interest-bearing debt to cash flows (years)	0.6	1.1	0.4	0.2	0.2
Interest coverage ratio (times)	85.7	50.5	179.3	344.7	316.2

- Shareholders' equity ratio: Shareholders' equity / Total assets
- Shareholders' equity ratio based on market value: Market capitalization / Total assets
- Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows
- Interest coverage ratio: Cash flows / Interest payments

Notes: 1. All indicators are calculated based on consolidated figures.
2. Market capitalization is calculated by the number of shares outstanding at the end of the period, excluding treasury shares.
3. Cash flows are based on "Net cash provided by (used in) operating activities."
4. Interest-bearing debt includes all debt on the consolidated balance sheet that incur interest.

(3) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years

The Company positions the return of profits to shareholders as a priority management issue, and endeavors to achieve ongoing increases in corporate value.

With regard to the dividends of surplus, we conduct such distributions based on operating performance, taking into consideration such factors as strengthening our financial base and future business developments. To further enhance our return of profits and augment shareholder value, from the year under review we have established a basic policy that adopts 40% of profit attributable to owners of parent as our target dividend payout ratio.

Based on this dividend policy, for the fiscal year under review we forecast an annual dividend of 25 yen per share, consisting of a dividend of 13 yen at the end of the second quarter and 12 yen at fiscal year-end.

For the fiscal year ending March 31, 2017, we forecast an annual dividend of 27 yen per share, consisting of a dividend of 14 yen at the end of the second quarter and 13 yen at fiscal year-end.

At present, we do not expect to award quarterly dividends or other dividends other than at the end of the second quarter and fiscal year-end.

(4) Business Risks

Outlined below are the most important matters that the QUICK Group perceives as risk factors affecting its business development. Not all of these risks are necessarily applicable from a business standpoint; some have been included to aid investors in their investment decisions and serve as important factors for consideration when seeking to understand the operations of the QUICK Group. We have provided this information from the perspective of proactive disclosure to investors. Recognizing the potential of these risks to materialize, the QUICK Group seeks to prevent them from occurring and respond in the event that they do.

Forward-looking statements contained in this text are based on the QUICK Group's judgment as of March 31, 2016.

1) Market Fluctuations

In its Recruiting Business, Human Resources Services Business and Other Businesses (Internet-Related Business, etc.), the QUICK Group develops business related to human resources in response to corporate and diverse other human resources needs. Accordingly, the QUICK Group's financial condition and operating performance may be affected by changes in the business climate and employment situation, as well as corporate and other trends in personnel recruiting activities. Furthermore, over the medium to long term the QUICK Group's business development, financial condition and operating performance may be affected by changing attitudes toward employment, increasing diversity in employment and hiring forms, and other structural changes, as we need to provide services that meet customers' needs.

2) Competition

Because of the relatively low barriers to entry in its Recruiting Business, Human Resources Services Business, Information Publishing Business and Other Businesses (Internet-Related Business, etc.), the QUICK Group is susceptible to competition from venture companies and large enterprises alike. In the event that competition grows increasingly stringent in these businesses going forward, the QUICK Group’s financial condition and operating performance could be affected.

3) Business with Recruit Holdings Co., Ltd., in the Recruiting Business

In the Recruiting Business, the QUICK Group handles recruiting advertisement spots for Recruit Holdings. These transactions take an agency form (the Company purchases advertising spots and sells them to advertisers) and a consignment sale form (the Company receives commissions on the sale of recruiting advertisements to advertisers). These transactional forms are determined by contract for each recruiting advertisement medium.

The recruiting advertisement spots handled by the Recruiting Business are, with certain exceptions, placed in Recruit Holdings’ recruiting advertisement media. Accordingly, in this business our dependency on Recruit Holdings is high. In the event that Recruit were to change its sales strategy or sales promotion measures (including changes in agreement formats), or if the predominance of its recruiting advertisement media were to decline, the QUICK Group’s business development, financial condition and operating performance could be affected.

4) Focus on the Nursing Field in Human Resources Services Business (Employment Agency)

The QUICK Group’s Human Resources Services Business (employment agency) focuses on the business of introducing nurses. Given that healthcare institutions have faced chronic shortages of nurses in recent years, demand for human resources in the nursing field has remained high, and the Company believes this trend will continue. However, if the relaxation of regulations in the medical sector alleviates the supply–demand for human resources, the QUICK Group’s financial condition and operating performance could be affected.

Also, corporate competition for orders and competition to attract job seekers is high in this field, and the competition is expected to grow even fiercer. The QUICK Group strives to maintain or increase its competitiveness through effective promotion and detailed consulting. However, if it becomes difficult to differentiate the Company from its competitors, securing orders and profitability could become problematic, affecting its financial condition and operating performance.

5) Distribution and Printing Operations in the Information Publishing Business

In the Information Publishing Business, consolidated subsidiary Colorful Company, Inc., distributes lifestyle information magazines to homes door-to-door, but complaints can arise with regard to distribution in areas where these homes are located, based on posting methods and times. In some areas, we outsource all distribution of information magazines. If for some reason it became problematic to continue outsourcing these distribution operations, business development and operating performance in this business category could be affected.

In addition, we outsource all printing operations for information magazine media in the Information Publishing Business. If any sort of trouble were to arise with our outsourcing partner, leading to delays in the date of publication and distribution, our level of trust among customers and readers could decrease, potentially affecting our business development, financial condition and operating performance.

6) Overseas Development

The QUICK Group has subsidiaries in the United States (New York and Los Angeles), China (Shanghai), Vietnam (Ho Chi Minh City) and Mexico (Aguascalientes) that conduct employment agency, temporary staffing, human resources development, labor consulting and other activities. Overseas business development is susceptible to such risks as exchange rate fluctuations, changes in local legislation and regulatory policies, fluctuations in personnel costs, the dangers of terrorism or riots, and economic, social and political risks. Such trends could affect the QUICK Group’s business development.

7) Seasonal Fluctuations in Operating Performance

The QUICK Group records sales in its Human Resources Services Business (employment agency) based on the date when the job seekers it has introduced begin work at the companies hiring them. As a result, revenues tend to focus on periods of concentration for joining and leaving companies, changes in postings, and other personnel movements, at the start of the fiscal year (April). In particular, in recent years employment in the nursing field has tended to be high in April. As a result, the QUICK Group's income tends to be concentrated on the first half of the fiscal year, as the table below indicates.

Owing to the above-mentioned future fluctuations in operating performance in the Human Resources Services Business, seasonal fluctuations in the QUICK Group's consolidated operating performance could continue to follow this trend.

	Fiscal year ended March 31, 2015				Fiscal year ended March 31, 2016			
	Net sales (Millions of yen)	Share (%)	Ordinary income (Millions of yen)	Share (%)	Net sales (Millions of yen)	Share (%)	Ordinary income (Millions of yen)	Share (%)
First half	5,779	51.2	1,206	81.4	6,274	50.2	1,303	75.1
Second half	5,500	48.8	276	18.6	6,224	49.8	433	24.9
Full year	11,279	100.0	1,483	100.0	12,498	100.0	1,737	100.0

8) Securing and Cultivating Human Resources

To further expand its operations and bolster profitability, the QUICK Group recognizes securing and cultivating superior human resources as an important management issue and is undertaking initiatives in this regard. However, if the Group's individual divisions are unable to secure and cultivate human resources as planned or if skilled personnel were to leave the Group, the QUICK Group's business activities could be hindered or limited, thereby affecting its financial condition and operating performance.

9) Legal Restrictions

In the QUICK Group, the Human Resources Services Business's fee-based job placement, worker dispatch and other activities are subject to approval by the Minister of Health, Labour and Welfare. They are also subject to the Employment Security Act, the Worker Dispatching Act and other related legislation. (These activities are also subject to similar restrictions overseas.) If the QUICK Group were for any reason to be in conflict with such legal restrictions in the future, or if new legal restrictions were to be enacted or important changes were to be made, there is a risk that the QUICK Group's business activities could be hindered. The Group's financial condition and operating performance could be affected as a result.

10) Management of Personal Information

In the Human Resources Services Business, from the perspective of worker protection, the management of personal information on people seeking to change jobs and people registering for temporary employment is obligatory, and punitive provisions are in place with regard to information leaks.

The QUICK Group has introduced the Privacy Mark system based on its personal information protection policy with respect to the personal information of people seeking to change jobs and people registering for temporary employment. We are also working to reinforce management systems related to website and system security and at our offices. We therefore believe we have created a management system to a certain extent.

However, if for any reason a leak of personal information were to occur at the Company, the authorities could order the Company to halt operations or rescind its approvals. Furthermore, claims for damages and a loss of society's trust could affect the QUICK Group's financial condition and operating performance.

11) Intellectual Property Rights

In its operation of websites and publication of information magazines, the QUICK Group studies, to the extent possible, the possibility of infringing on third-party intellectual property rights, and strives to avoid infringing on copyrights, trademarks and other intellectual property rights. However, if the Group were to inadvertently infringe on third-party intellectual property rights, it could become liable for claims for damages, which could affect the QUICK Group’s business activities, financial condition and operating performance.

12) Risk of Lawsuits

The QUICK Group bears social responsibility as a listed company. Accordingly, the Group works to enhance its internal training, enacts and maintains various regulations, and has in place internal management structures and educational systems. Furthermore, the Group creates and operates thorough internal control systems appropriate to its state of business development. However, if unexpected trouble should arise with business partners or third parties, regardless of whether or not defects exist on the part of the QUICK Group or its executives or employees, and a lawsuit should occur, the QUICK Group’s business activities could be hindered. In addition, claims for damages and the loss of society’s trust could affect its business activities, financial condition and operating performance.

13) Disaster and System Failure

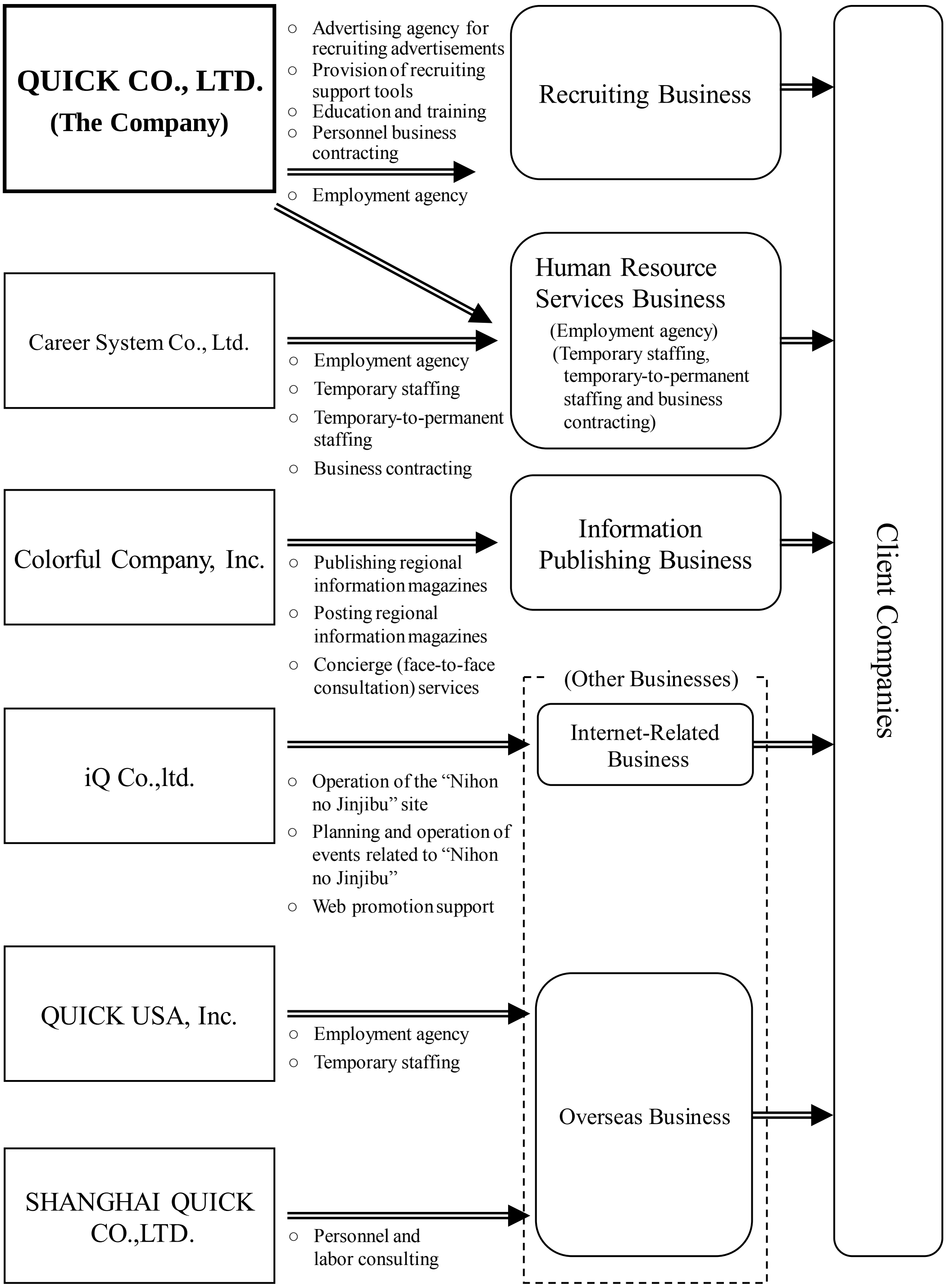
The QUICK Group has operations in Japan dispersed throughout the Tokyo, Nagoya, Osaka, Hokuriku, Niigata and Sendai regions, and operates overseas in New York, Los Angeles, Shanghai, Ho Chi Minh City and Aquascalientes. Consequently, if these regions were affected by a large-scale earthquake, storm and flood damage or other natural disaster; terrorism; other unforeseen accident; or new infectious disease, the office and human resources in that region could suffer damage directly. In addition, business partners’ recruiting activities, sales activities and business activities might be hindered, affecting the QUICK Group’s financial condition and operating performance.

Furthermore, the QUICK Group’s business relies extensively on computer systems and other networks. Consequently, a broad-based natural disaster or accident, computer virus or hacker infiltration could result in system failure. Such an event could affect the QUICK Group’s business operations, financial condition and operating performance.

2. Corporate Group

The QUICK Group (the Company and its affiliated companies) consists of QUICK CO., LTD. (the Company), five consolidated subsidiaries and two non-consolidated subsidiaries. Business operations are 1) Recruiting Business, 2) Human Resources Services Business, 3) Information Publishing Business and 4) Other Businesses (Internet-Related Business and Overseas Business).

A flowchart of the Group's business operations is as follows.



Notes 1. Above five affiliated companies are all consolidated.

2. Two non-consolidated subsidiaries are not shown because the effect on the consolidated results is negligible.

3. Management Policies

(1) Basic Management Policy

Since the time of its establishment, the QUICK Group has provided comprehensive human resources services that link people and companies. Themed on human resources, we develop business that contributes to society. Going forward, we will continue to grow as a company that “contributes to society through the human resources and information businesses.”

The QUICK Group conducts business as an advertising agency for recruiting advertisements; provides recruiting support tools; conducts education and training; engages in personnel business contracting (Recruiting Business), employment agency, temporary staffing, temporary-to-permanent staffing and business contracting (Human Resources Services Business); publishes and posts regional information magazines; conducts concierge (face-to-face consultation) services (Information Publishing Business); operates the “Nihon no Jinjibu” site; plans and operates events related to the “Nihon no Jinjibu;” supports Web promotions (Internet-Related Business); and in the United States and China engages in employment agency, temporary staffing, and personnel and labor consulting (Overseas Business).

Taking advantage of the synergistic effects of these businesses, the Group will strengthen its businesses in order to respond swiftly to market needs, including those of client companies and job seekers. We will also build up our sales structure and strive to enhance management efficiencies.

(2) Performance Targets

In addition to expanding the scale of its operations, the QUICK Group’s policy is to build a profit-oriented organization that makes effective use of such business assets as its proprietary sales network and expertise in attracting registrants who wish to change employment. To achieve these goals and in order to attain stable growth and build a robust financial foundation, the Group aims to increase its ordinary income margin and return on equity (ROE).

(3) Medium- and Long-term Management Strategy

The QUICK Group aims to expand its areas of business as a comprehensive human resources services and information services company.

To this end, we intend to further strengthen our Recruiting Business and Human Resources Services Business. We also plan to achieve growth over the medium to long term through expansion in the Information Publishing Business, Internet-Related Business and Overseas Business.

In each business, we will engage in business model restructuring and new product and service development and sales. We will strive to build a sales structure to swiftly meet changing market needs and pursue synergies by strengthening cooperation between businesses.

Furthermore, we will proactively develop our businesses overseas. Through collaboration between our overseas companies and businesses in Japan, we will develop global human resources services aimed at realizing the concept of the “Sekai no Jinjibu (Human Resources Department for the world).”

(4) Issues to Address

In the fiscal year ending March 31, 2017, at the moment the Japanese economy is sluggish due to lack of stimulus. However, the supplementary budget and the latent impact of low crude oil prices are pushing up real household purchasing power. These factors, plus a bottoming out in corporate earnings, should provide support for the economy. Nevertheless, the slow pace of recovery in overseas economies, downward pressure on corporate earnings stemming from yen appreciation and ongoing stock price declines, and an increasingly opaque outlook are likely to hold back the economy. We therefore expect the economic recovery to be weak.

Looking at the employment situation, however, in addition to such structural issues as a decreasing number of personnel due to a falling birthrate and high levels of corporate earnings—despite low rates of corporate earnings growth—we believe corporate hiring interest will remain strong and anticipate favorable performance going forward.

Under these circumstances, based on its management philosophy of “making everyone involved happy” and under its business philosophy of “contributing to society through the human resources and information businesses,” the QUICK Group aims to revamp existing businesses and propose new businesses. At the same time, we will continue to invest in specific fields and by cultivating them become the leader in this market. With regard to developing the global human resources business, service companies as well as manufacturers are undergoing full-fledged efforts to enter overseas markets. With Japan being affected by human resources shortages due to a falling birthrate and aging population, which is expected to remain a major issue, we will proactively develop our business to realize the concept of a “Sekai no Jinjibu” that helps to address the labor issues companies and countries face.

Furthermore, we will enhance our education and training in order to cultivate the human resources that will make these business advances possible, thereby bolstering the rate of growth of the QUICK Group.

The issues facing individual businesses are outlined below.

(Recruiting Business)

In the Recruiting Business, client companies’ recruiting needs are expected to remain strong. Under these circumstances, we will augment customer satisfaction and further expand our scale of business.

By clarifying staff fields of focus and sharing customer information, we will seek to enhance the efficiency of our sales activities, including by cultivating new customers and following up with existing customers, and we will strive to prevent missed opportunities and bolster productivity. By sharing information pertaining to methods with high recruiting effectiveness, we aim to enhance customer satisfaction levels and address the risk of customers leaving due to a decrease in advertising effectiveness. Furthermore, we aim to expand our scale of operations by developing the strengths of young employees early on and concentrating on hiring new members.

(Human Resources Services Business)

In addition to the construction and civil engineering and pharmaceutical industries, employment agency needs are rising among a broad range of other manufacturing industries and occupations. In the nurse introduction segment, an effective opening-to-application ratio of two to three openings per nurse persists. While recruiting needs remain high in this area, in occupations such as these that are characterized by high levels of specialization and technology, competition to attract registrants is growing increasingly fierce.

To address this situation, we are working to strengthen the appeal and content of the sites we operate, improve their usability and conduct effective promotions. Through these efforts, we aim to increase the sites’ brand power and attract registrants. By also focusing on cultivating and developing the skills of young consultants, we will work to augment productivity and expand business further in existing fields.

In temporary staffing, temporary-to-permanent staffing and business contracting, demand from healthcare facilities in the medical and welfare sectors remains high for the temporary staffing of nurses, care workers and other personnel. We will endeavor to address this situation by strengthening promotions to enhance our websites’ ability to attract customers, thereby securing people registering for temporary employment as nurses and care workers. In part-time staff placement, an initiative we began during the year under review, we will leverage our specialized “Haken de Part” site to appeal to job seekers aiming for diverse working styles, attracting people registering for temporary employment.

By reinforcing sales in both fields, we will compensate for the effects that an improving employment situation and amended Worker Dispatching Act are having on the desire of temporary staff to become full-time employees and aim to improve operating performance.

(Information Publishing Business)

The Information Publishing Business is affected by the market entry of new competitors and increasing price competition. In response, in addition to leveraging the resources of our existing business to promote business development, we will strengthen our organization through diverse education and training and by augmenting support systems.

With regard to business development leveraging resources in existing businesses, for free papers centering on lifestyle information magazines we will increase information volumes and enhance Web-linked services in order to raise advertising impact. With these approaches, we aim to enhance satisfaction among both readers and client companies, as well as differentiate ourselves from competitors. At the same time, by optimizing page numbers we will work to hold down costs and raise productivity.

(Other Businesses)

1) Internet-Related Business

In Internet-Related Business, we will consolidate and unify surrounding business models based on our information portal site related to personnel and labor, “Nihon no Jinjibu.” Specifically, by enhancing the number of visitors and effectiveness of the site, and by increasing the scale of the “HR Conference,” we will strengthen the “Nihon no Jinjibu” brand and take advantage of this infrastructure to strengthen peripheral services and inaugurate new services. Through these efforts, we will build networks in the human resources services sector, and promote sales at client companies and support efforts to attract customers.

2) Overseas Business

In Overseas Business, projects are numerous for both employment agency and temporary staffing, thanks to the favorable U.S. economy, but attracting registrants to match these positions is difficult, so client companies’ recruiting needs remain unmet. To address this situation, we will hold job fairs and seminars to attract registrants, enhance registration sites, step up initiatives to attract new registrants and strive to increase operating performance.

In China, due to a growing awareness of workers’ rights local companies are experiencing an increase in the number of labor–management issues, prompting an increased need for personnel and labor consulting services. To address this issue, alongside efforts to recruit new staff we will strengthen employee education to raise the skill levels of existing staff. We aim to improve operating performance through this increased responsiveness to customer needs.

4. Basic Approach to the Selection of Accounting Standards

The Group will continue to prepare its consolidated financial statements in accordance with Generally Accepted Accounting Principles in Japan for the time being to permit comparisons with prior years and with the financial data of other companies.

We will take suitable actions with regard to the application of International Financial Reporting Standards (IFRS) by taking into account associated factors in Japan and other countries.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Assets		
Current assets		
Cash and deposits	3,151,376	3,430,787
Notes and accounts receivable-trade	1,515,627	1,625,089
Deferred tax assets	160,316	139,289
Other	312,348	301,898
Allowance for doubtful accounts	(1,781)	(8,592)
Total current assets	5,137,887	5,488,472
Non-current assets		
Property, plant and equipment		
Buildings and structures	922,915	963,286
Accumulated depreciation	(572,298)	(574,409)
Buildings and structures, net	350,616	388,876
Vehicles	1,433	1,433
Accumulated depreciation	(143)	(430)
Vehicles, net	1,289	1,003
Tools, furniture and fixtures	98,935	131,362
Accumulated depreciation	(76,229)	(81,146)
Tools, furniture and fixtures, net	22,706	50,215
Land	276,869	276,869
Leased assets	47,041	44,063
Accumulated depreciation	(36,044)	(32,462)
Leased assets, net	10,996	11,600
Total property, plant and equipment	662,479	728,565
Intangible assets		
Leased assets	37,643	27,078
Other	100,472	158,711
Total intangible assets	138,116	185,789
Investments and other assets		
Investment securities	536,075	528,812
Lease deposits	303,159	362,695
Deferred tax assets	1,674	920
Other	10,315	40,309
Allowance for doubtful accounts	(4,015)	(4,193)
Total investments and other assets	847,208	928,544
Total non-current assets	1,647,804	1,842,899
Total assets	6,785,692	7,331,371

(Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Liabilities		
Current liabilities		
Accounts payable-trade	615,033	604,301
Short-term loans payable	192,102	191,402
Current portion of long-term loans payable	11,702	-
Accounts payable-other	437,699	528,016
Accrued expenses	288,108	309,649
Lease obligations	14,930	14,226
Income taxes payable	354,796	311,459
Accrued consumption taxes	307,822	132,549
Provision for bonuses	286,926	242,456
Provision for directors' bonuses	30,700	-
Provision for repayment	17,800	15,600
Other	81,767	121,488
Total current liabilities	2,639,387	2,471,149
Non-current liabilities		
Lease obligations	34,081	24,854
Deferred tax liabilities	102,041	89,829
Asset retirement obligations	30,394	34,821
Other	2,458	1,863
Total non-current liabilities	168,976	151,368
Total liabilities	2,808,364	2,622,518
Net assets		
Shareholders' equity		
Capital stock	351,317	351,317
Capital surplus	310,717	307,998
Retained earnings	3,068,756	3,825,954
Treasury shares	(18,975)	(18,975)
Total shareholders' equity	3,711,815	4,466,294
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	240,940	231,507
Foreign currency translation adjustment	13,172	11,051
Total accumulated other comprehensive income	254,112	242,558
Non-controlling interests	11,399	-
Total net assets	3,977,328	4,708,853
Total liabilities and net assets	6,785,692	7,331,371

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Net sales	11,279,612	12,498,855
Cost of sales	4,845,364	5,170,521
Gross profit	6,434,248	7,328,334
Selling, general and administrative expenses	5,050,958	5,640,917
Operating income	1,383,290	1,687,417
Non-operating income		
Interest income	1,232	658
Dividend income	5,712	8,298
Sale cooperation fee	31,137	17,338
Fiduciary obligation fee	60,370	-
Book sales commission	4,973	12,219
Other	11,047	14,786
Total non-operating income	114,472	53,301
Non-operating expenses		
Interest expenses	3,644	3,032
Commission fee	7,933	-
Other	2,951	554
Total non-operating expenses	14,528	3,587
Ordinary income	1,483,233	1,737,131
Extraordinary income		
Gain on sales of non-current assets	5,100	-
Gain on sales of investment securities	-	7,226
Total extraordinary income	5,100	7,226
Extraordinary losses		
Loss on retirement of non-current assets	3,206	13,104
Loss on valuation of investment securities	4,908	-
Total extraordinary losses	8,115	13,104
Profit before income taxes	1,480,218	1,731,253
Income taxes-current	517,094	539,332
Income taxes-deferred	(24,396)	23,766
Total income taxes	492,698	563,098
Profit	987,520	1,168,154
Loss attributable to non-controlling interests	(942)	(2,370)
Profit attributable to owners of parent	988,462	1,170,524

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Profit	987,520	1,168,154
Other comprehensive income		
Valuation difference on available-for-sale securities	210,258	(9,433)
Foreign currency translation adjustment	12,854	(2,127)
Total other comprehensive income	223,112	(11,561)
Comprehensive income	1,210,632	1,156,593
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,210,409	1,158,970
Comprehensive income attributable to non-controlling interests	223	(2,377)

(3) Consolidated Statement of Changes in Equity

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	351,317	310,717	2,456,046	(18,975)	3,099,105
Changes of items during period					
Dividends of surplus			(375,751)		(375,751)
Profit attributable to owners of parent			988,462		988,462
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	612,710	-	612,710
Balance at end of current period	351,317	310,717	3,068,756	(18,975)	3,711,815

(Thousands of yen)

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	30,682	1,483	32,165	11,176	3,142,447
Changes of items during period					
Dividends of surplus					(375,751)
Profit attributable to owners of parent					988,462
Net changes of items other than shareholders' equity	210,258	11,688	221,947	223	222,170
Total changes of items during period	210,258	11,688	221,947	223	834,880
Balance at end of current period	240,940	13,172	254,112	11,399	3,977,328

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)

(Thousands of yen)

	Shareholders’ equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders’ equity
Balance at beginning of current period	351,317	310,717	3,068,756	(18,975)	3,711,815
Changes of items during period					
Dividends of surplus			(413,327)		(413,327)
Profit attributable to owners of parent			1,170,524		1,170,524
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(2,718)			(2,718)
Net changes of items other than shareholders’ equity					
Total changes of items during period	-	(2,718)	757,197	-	754,479
Balance at end of current period	351,317	307,998	3,825,954	(18,975)	4,466,294

(Thousands of yen)

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	240,940	13,172	254,112	11,399	3,977,328
Changes of items during period					
Dividends of surplus					(413,327)
Profit attributable to owners of parent					1,170,524
Change in treasury shares of parent arising from transactions with non-controlling shareholders					(2,718)
Net changes of items other than shareholders’ equity	(9,433)	(2,120)	(11,554)	(11,399)	(22,953)
Total changes of items during period	(9,433)	(2,120)	(11,554)	(11,399)	731,525
Balance at end of current period	231,507	11,051	242,558	-	4,708,853

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Cash flows from operating activities		
Profit before income taxes	1,480,218	1,731,253
Depreciation	94,553	102,302
Increase (decrease) in allowance for doubtful accounts	(2,205)	6,989
Increase (decrease) in provision for bonuses	12,857	(44,469)
Increase (decrease) in provision for directors' bonuses	5,400	(30,700)
Increase (decrease) in provision for repayment	500	(2,200)
Interest and dividend income	(6,944)	(8,956)
Interest expenses	3,644	3,032
Loss (gain) on sales of non-current assets	(5,100)	-
Loss on retirement of non-current assets	3,206	13,104
Loss (gain) on sales of investment securities	-	(7,226)
Loss (gain) on valuation of investment securities	4,908	-
Decrease (increase) in notes and accounts receivable-trade	(371,182)	(72,188)
Increase (decrease) in notes and accounts payable-trade	303,354	4,763
Decrease (increase) in lease and guarantee deposits	(4,768)	(59,656)
Increase (decrease) in accrued consumption taxes	217,111	(175,273)
Other, net	(64,421)	86,431
Subtotal	1,671,133	1,547,207
Interest and dividend income received	7,038	8,956
Interest expenses paid	(3,606)	(3,019)
Income taxes paid	(431,619)	(598,420)
Net cash provided by (used in) operating activities	1,242,946	954,724
Cash flows from investing activities		
Purchase of property, plant and equipment	(47,347)	(115,763)
Proceeds from sales of property, plant and equipment	29,199	-
Purchase of intangible assets	(44,837)	(96,303)
Purchase of investment securities	(4,971)	(17,402)
Proceeds from sales of investment securities	-	8,226
Payments of loans receivable	(20,000)	-
Collection of loans receivable	23,260	-
Net cash provided by (used in) investing activities	(64,696)	(221,242)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(49,798)	(700)
Repayments of long-term loans payable	(19,992)	(11,702)
Repayments of lease obligations	(22,425)	(15,487)
Cash dividends paid	(373,991)	(412,637)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(11,741)
Net cash provided by (used in) financing activities	(466,206)	(452,267)
Effect of exchange rate change on cash and cash equivalents	7,904	(1,803)
Net increase (decrease) in cash and cash equivalents	719,948	279,410
Cash and cash equivalents at beginning of period	2,401,428	3,121,376
Cash and cash equivalents at end of period	3,121,376	3,400,787

Segment Information

1. Outline of reportable segments

The reportable segments of the QUICK Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and to assess performance.

The QUICK Group engages in a diverse range of businesses, including providing services related to recruiting advertisement, employment agency and temporary staffing, and publishing regional information magazines. The Company and its consolidated subsidiaries (hereinafter "business operation companies") are independent management units that independently draft comprehensive business strategies and develop business activities for each business.

Accordingly, the QUICK Group is composed of business-specific segments based on the Company's business operating structure and business operation companies. The Group has three reportable segments: Recruiting Business, Human Resources Services Business and Information Publishing Business. Businesses not included in these reportable segments are categorized as Other Businesses.

Main activities of the Recruiting Business include an advertising agency business for recruiting advertisements, provision of recruiting support tools, education and training, and personnel business contracting. Main activities of the Human Resources Services Business include employment agency, temporary staffing, temporary-to-permanent staffing and business contracting. Main activities of the Information Publishing Business include publication and posting of regional information magazines, and concierge (face-to-face consultation) services. The Other Businesses operates the "Nihon no Jinjibu" site, plans and operates events related to the "Nihon no Jinjibu," supports Web promotions (Internet-Related Business) and engages in employment agency, temporary staffing, and personnel and labor consulting in the United States and China (Overseas Business).

2. Calculation method of net sales, profit/loss, assets, liabilities and other items in each reportable segment

Profits for reportable segments are generally operating income.

Inter-segment sales and transfers are based on market prices.

3. Information pertaining to net sales, profit/loss, assets, liabilities and other items in reportable segments

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015) (Thousands of yen)

	Reportable Segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount in the consolidated financial statements (Note 3)
	Recruiting Business	Human Resources Services Business	Information Publishing Business	Subtotal				
Net sales								
Sales to external customers	2,844,756	5,967,616	1,657,326	10,469,700	809,912	11,279,612	-	11,279,612
Inter-segment sales and transfers	2,073	-	16,953	19,026	48,947	67,974	(67,974)	-
Total	2,846,830	5,967,616	1,674,279	10,488,727	858,859	11,347,587	(67,974)	11,279,612
Segment profit	672,393	1,141,539	36,480	1,850,413	52,723	1,903,137	(519,847)	1,383,290
Segment assets	1,688,278	2,390,759	927,882	5,006,920	513,826	5,520,746	1,264,946	6,785,692
Other items								
Depreciation	3,063	28,329	18,289	49,682	7,477	57,160	37,393	94,553
Increase in property, plant and equipment and intangible assets	18,324	34,092	9,330	61,747	7,177	68,925	23,259	92,184

Notes: 1. Others represent the businesses which are not included in any of the reportable segments and mainly consist of Internet-Related Business and Overseas Business.

2. Contents of adjustments are as follows.

(1) The (519,847) thousand yen adjustment to segment profit includes elimination for inter-segment transactions of 127,454 thousand yen, and (647,301) 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, including general affairs and accounting at the Company.

(2) The 1,264,946 thousand yen adjustment to segment assets includes elimination for inter-segment transactions of (146,012) thousand yen, and 1,410,959 thousand yen in company-wide assets that cannot be allocated to any specific reportable segments. Company-wide assets consist primarily of Company's excess funds (cash and deposits), long-term investments (investment securities), and assets which belong to the administration division.

(3) The 37,393 thousand yen adjustment to depreciation is the sum of assets which belong to the administration division that cannot be allocated to reportable segments.

(4) The 23,259 thousand yen adjustment to increase in property, plant and equipment and intangible assets is the sum of assets which belong to the administration division that cannot be allocated to reportable segments.

3. Segment profit is adjusted with operating income shown on the consolidated statement of income.

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016) (Thousands of yen)

	Reportable Segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount in the consolidated financial statements (Note 3)
	Recruiting Business	Human Resources Services Business	Information Publishing Business	Subtotal				
Net sales								
Sales to external customers	3,294,169	6,629,362	1,668,645	11,592,177	906,678	12,498,855	-	12,498,855
Inter-segment sales and transfers	3,272	-	12,425	15,698	71,718	87,417	(87,417)	-
Total	3,297,442	6,629,362	1,681,071	11,607,876	978,396	12,586,273	(87,417)	12,498,855
Segment profit	878,561	1,136,411	44,136	2,059,109	99,323	2,158,433	(471,015)	1,687,417
Segment assets	1,865,321	2,773,360	927,583	5,566,265	611,710	6,177,975	1,153,396	7,331,371
Other items								
Depreciation	3,050	40,274	18,347	61,671	7,653	69,324	32,978	102,302
Increase in property, plant and equipment and intangible assets	5,857	186,514	12,991	205,362	4,376	209,738	2,328	212,066

Notes: 1. Others represent the businesses which are not included in any of the reportable segments and mainly consist of Internet-Related Business and Overseas Business.

2. Contents of adjustments are as follows.

(1) The (471,015) thousand yen adjustment to segment profit includes elimination for inter-segment transactions of 135,037 thousand yen, and (606,053) 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, including general affairs and accounting at the Company.

(2) The 1,153,396 thousand yen adjustment to segment assets includes elimination for inter-segment transactions of (165,395) thousand yen, and 1,318,791 thousand yen in company-wide assets that cannot be allocated to any specific reportable segments. Company-wide assets consist primarily of Company's excess funds (cash and deposits), long-term investments (investment securities), and assets which belong to the administration division.

(3) The 32,978 thousand yen adjustment to depreciation is the sum of assets which belong to the administration division that cannot be allocated to reportable segments.

(4) The 2,328 thousand yen adjustment to increase in property, plant and equipment and intangible assets is the sum of assets which belong to the administration division that cannot be allocated to reportable segments.

3. Segment profit is adjusted with operating income shown on the consolidated statement of income.

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.