QUICK CO.,LTD.

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2017

[Japanese GAAP]

April 28, 2017

Company name: QUICK CO.,LTD. Listing: First Section, Tokyo Stock Exchange
Stock code: 4318 URL: https://919.jp/
Representative: Tsutomu Wano, President
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Scheduled date of Annual General Meeting of Shareholders: June 22, 2017
Scheduled date of filing of Annual Securities Report: June 22, 2017
Scheduled date of payment of dividend: June 23, 2017
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, 2017(April 1, 2016 – March 31, 2017)

(1) Consolidated results of operations (Percentages shown for net sales and profits 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	%
Fiscal year ended Mar. 31, 2017	14,578	16.6	1,998	18.4	2,073	19.4	1,391	18.8
Fiscal year ended Mar. 31, 2016	12,498	10.8	1,687	22.0	1,737	17.1	1,170	18.4

Note: Comprehensive income (millions of yen) Fiscal year ended Mar. 31, 2017: 1,575 (up 36.2%)
Fiscal year ended Mar. 31, 2016: 1,156 (down 4.5%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2017	74.04	-	26.5	24.9	13.7
Fiscal year ended Mar. 31, 2016	62.30	-	27.0	24.6	13.5

Reference: Equity in earnings of affiliates (millions of yen): Fiscal year ended Mar. 31, 2017: - Fiscal year ended Mar. 31, 2016: -

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2017	9,300	5,796	62.3	308.51
As of Mar. 31, 2016	7,331	4,708	64.2	250.64

Reference: Shareholders' equity (millions of yen) As of Mar. 31, 2017: 5,796 As of Mar. 31, 2016: 4,708

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended Mar. 31, 2017	2,000	(255)	(504)	4,639
Fiscal year ended Mar. 31, 2016	954	(221)	(452)	3,400

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, 2016	-	13.00	-	12.00	25.00	469	40.1	10.8
Fiscal year ended Mar. 31, 2017	-	14.00	-	16.00	30.00	563	40.5	10.7
Fiscal year ending Mar. 31, 2018 (forecasts)	-	17.00	-	17.00	34.00		41.2	

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2018 (April 1, 2017 – March 31, 2018)

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	8,350	12.1	1,655	7.4	1,698	7.3	1,172	9.1	62.41
Full year	16,100	10.4	2,170	8.6	2,250	8.5	1,550	11.4	82.50

*** 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, 2017:	19,098,576 shares	As of Mar. 31, 2016:	19,098,576 shares

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

As of Mar. 31, 2017:	311,017 shares	As of Mar. 31, 2016:	310,980 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2017:	18,787,591 shares	Fiscal year ended Mar. 31, 2016:	18,787,596 shares

Reference: Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2017 (April 1, 2016 – March 31, 2017)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Mar. 31, 2017	9,833	17.6	1,565	11.5	1,800	10.9	1,255	11.8
Fiscal year ended Mar. 31, 2016	8,362	15.8	1,403	28.8	1,623	19.4	1,123	22.1

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2017	66.84	-
Fiscal year ended Mar. 31, 2016	59.80	-

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2017	7,931	5,295	66.8	281.88
As of Mar. 31, 2016	6,324	4,339	68.6	230.98

Reference: Shareholders' equity (millions of yen): As of Mar. 31, 2017: 5,295 As of Mar. 31, 2016: 4,339

* The current financial report is not subject to audit procedures.

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

Cautionary statement with respect to forward-looking statements

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. Overview of Results of Operations, etc. (4) Outlook."

1. Overview of Results of Operations

(1) Results of Operations

During the fiscal year ended March 31, 2017, the Japanese economy was affected by various factors including volatility in the stock and foreign exchange markets caused by Britain's decision to exit the EU. In addition, the after effects of Kumamoto earthquake and multiple typhoons slowed consumer spending. This led to a persistent strong sense of stagnation across the economy in general. In the second half of the fiscal year, there was a rebound in corporate production and exports in Japan associated with the U.S. economic recovery and decline of the yen as the power was transferred to the new Trump administration. The Japanese economy recovered slowly with the support of healthy corporate earnings. However, the outlook is uncertain because of sluggish consumer spending, doubts about the ability of the Trump administration to implement its policies, and other reasons.

With regard to the domestic employment situation, Japan has a structural labor shortage due to the decline in the labor force and working-age population caused by the falling birthrate and aging population. To deal with this issue, the Japanese government has started to take many actions to "reform how people work" with the goals of boosting productivity and securing a sufficient supply of workers. However, major corporations continue to feel labor shortages and a wide range of industries are working hard on securing human resources. In this environment, key employment indicators continued to improve. In February 2017, the job openings-to-applicants ratio rose to a seasonally adjusted 1.43 times. Additionally, the unemployment rate was 2.8% (seasonally adjusted) in February, the first time this figure fell below 3% since December 1994.

Operating in this environment, the QUICK Group strove to reinforce existing services, cultivate new fields of focus and develop new services. In these ways, the Group worked to differentiate itself from competitors and enhance customer satisfaction by providing proposals and services that help solve the recruitment, personnel and management issues at client companies.

As a result, sales and earnings were higher for the seventh consecutive year. Net sales increased 16.6% year-on-year to 14,578 million yen, operating profit increased 18.4% year-on-year to 1,998 million yen, ordinary profit increased 19.4% year-on-year to 2,073 million yen and profit attributable to owners of parent increased 18.8% year-on-year to 1,391 million yen. Sales climbed to an all-time high for the second consecutive year, operating and ordinary profit set a new record for the fourth consecutive year, and profit attributable to owners of parent was a new all-time high for the fifth consecutive year.

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

Starting with the fiscal year ended March 31, 2017, the Human Resources Service Business and Recruiting Business are presented in the reverse order of prior years in order to list the segment with higher sales and earnings first.

(Human Resources Services Business)

1) Personnel Placement

In the personnel placement category of this segment, recruiting needs remained high in the construction, civil engineering, manufacturing and other business sectors. The result was a solid performance regarding the placement of individuals for positions requiring specialized skills at a variety of companies. In addition, personnel placement performance benefited from strong demand for the recruitment of nurses at hospitals and nursing care facilities. The result was strong personnel placement sales.

In business sectors and job categories with substantial recruiting needs, competition with other companies to attract people to register for job assignments continued to increase. QUICK responded by stepping up promotional activities and services for signing up people through websites for personnel placement placements. For example, there were TV commercials for Automotive Jobs, a service that enables people in the automobile industry to find another job, and smartphone sites were opened and upgraded. All these activities differentiated QUICK from competitors and enhanced customer satisfaction.

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

In temporary staffing, temporary-to-permanent staffing and business contracting, recruiting workers directly is becoming increasingly difficult as unemployment in Japan declines. As a result, there was an increase in sales from the provision of part-time workers, chiefly individuals for IT and Internet jobs and for general office work. Strong demand for the temporary placement of workers in the medical and welfare sectors also contributed to the performance of this category. In addition, we met demand at the end of the fiscal year for workers to perform various IT tasks, such as setting up PCs. This growth made it possible to absorb the increase of growing preference of job seekers for full-time positions and in promotional expenses for signing up medical and welfare sector workers amid competition to attract these people among temporary staffing companies.

Segment sales increased 23.0% year-on-year to 8,155 million yen and operating profit increased 31.2% year-on-year to 1,491 million yen.

(Recruiting Business)

In the mid-year hiring category, growth continued in the volume of recruiting advertisements handled for the registration of temporary placement workers and part-time workers.

In the new graduate recruiting category, the volume of advertisements targeting university students who plan to graduate in March 2018, for which sales started in March 2017, was held down by intense competition. As a result, sales in this category were about the same as one year earlier.

Sales from services other than advertising increased due mainly to growth in human resources services, aptitude tests and other services that companies outsource to QUICK.

Segment sales increased 8.6% year-on-year to 3,575 million yen and operating profit increased 2.8% year-on-year to 903 million yen.

(Information Publishing Business)

In the Information Publishing Business, the volume of housing advertising and town advertising of restaurants and shops for attracting customers in the mainstream lifestyle information magazines was strong. Business performance improved in all areas where the magazines are distributed: Ishikawa, Toyama and Niigata. Moreover, the home information magazine for the Hokuriku area "Iezukuri Navi" continued to perform well. In services other than advertising, posting services businesses using flyers inserted in newspapers and other publications achieved growth. In addition, "Cococolor iezukuri," "Cococolor tenshoku" and other concierge services continued to perform well.
Segment sales increased 7.5% year-on-year to 1,794 million yen and operating profit increased 55.3% year-on-year to 68 million yen.

(Other Businesses)

1) Internet-Related Business

A big increase in advertising revenues at "Nihon no Jinjibu" (Japan's Human Resources Department), an information portal site for human resources and labor relations, made a significant contribution to sales growth in this business. The main reason was strong demand for corporate recruiting advertisements and for promotional activities by human resources service companies that provide support for employee training, employee benefits and other personnel-related matters.

During the fiscal year, we held HR Conferences, which are events that have grown to attract more than 20,000 people every year, and held an HR Award ceremony to recognize excellence in services and other activities involving human resources, employee skill development, labor management and other fields. In the fiscal year's fourth quarter, we established the HR Consortium as a forum where human resource professionals from many companies can learn and share their knowledge. These activities heightened QUICK's reputation as a source of support for improving human resource management and development capabilities at companies and reinforced the

"Nihon no Jinjibu" brand.

2) Overseas Business

In the United States, the job market is continuing to improve as the economy grows slowly. The personnel placement business of QUICK USA, Inc. performed well, mainly at the Los Angeles office. The temporary staffing business also performed well. One reason was increasing orders late in 2016 at the New York office to supply temporary workers for special events.

At Shanghai QUICK Co., Ltd., even as the growth of China's economy continued to slow, there was strong demand for this company's core personnel and labor consulting services. Shanghai QUICK provided assistance for designing employee evaluation systems for client companies that are streamlining operations or creating a more productive working environment. Demand was also strong for assistance with revisions to employment rules and for the proper compensation analysis service. Recruiting consulting services also performed well. In addition, Shanghai QUICK issued "Salary Survey 2017," which contains numbers and analysis of salary data for more than 7,000 Chinese employees at companies in China that are affiliated with Japanese companies. The company also issued "Personnel and Labor Management Laws Handbook 2016," which explains laws and regulations in China that cover personnel and labor relations. Providing these publications enables Shanghai QUICK to provide even better personnel and labor relations support to client companies.

Segment sales increased 16.1% year-on-year to 1,052 million yen and operating profit increased 83.4% year-on-year to 182 million yen.

(2) Financial Position

Assets

Total assets at the end of the fiscal year under review increased 26.9%, or 1,969 million yen, year-on-year to 9,300 million yen. This was mainly the result of increases in cash and deposits, notes and accounts receivable-trade, and investment securities.

Liabilities

Total liabilities at the end of the fiscal year under review increased 33.6%, or 881 million yen, year-on-year to 3,504 million yen. This was mainly the result of increases in income taxes payable, accounts payable-other and provision for bonuses.

Net assets

Total net assets at the end of the fiscal year under review increased 23.1%, or 1,087 million yen, year-on-year to 5,796 million yen. 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 decreased 1.9 percentage points from the end of the previous fiscal year to 62.3%.

(3) Cash Flows

Cash and cash equivalents (hereinafter referred to as "net cash") increased 1,238 million yen from the end of the previous fiscal year to 4,639 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 are as follows.

Cash flows from operating activities

Net cash provided by operating activities increased 109.5% year-on-year to 2,000 million yen. Negative factors include income taxes paid of 589 million yen and an increase of 155 million yen in notes and accounts receivable-trade. Positive factors include profit before income taxes of 2,071 million yen.

Cash flows from investing activities

Net cash used in investing activities increased 15.6% year-on-year to 255 million yen. Negative factors include purchase of non-current assets of 124 million yen and purchase of investment securities of 80 million yen.

Cash flows from financing activities

Net cash used in financing activities increased 11.5% year-on-year to 504 million yen. Negative factors include cash dividends paid of 488 million yen and repayments of lease obligations of 14 million yen.

Reference: Cash flow indicators

	FY3/13	FY3/14	FY3/15	FY3/16	FY3/17
Shareholders' equity ratio (%)	58.6	60.1	58.4	64.2	62.3
Shareholders' equity ratio based on market value (%)	117.4	211.2	228.1	226.0	238.4
Ratio of interest-bearing debt to cash flows (years)	1.1	0.4	0.2	0.2	0.1
Interest coverage ratio (times)	50.5	179.3	344.7	316.2	736.5

- 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 debts on the consolidated balance sheet that incur interest.

(4) Outlook

The Japanese economy is currently recovering slowly as corporate production and exports increase and corporate earnings improve. The outlook is for the slow recovery to continue because of the Japanese government's economic stimulus measures and other reasons. However, we expect that the economic outlook will remain unclear due to weak private-sector capital expenditures and consumer spending and uncertainty about overseas economies.

The Japanese government has started taking actions to "reform how people work" in order to raise productivity and ensure a sufficient supply of workers. Nevertheless, we do not anticipate significant progress concerning Japan's labor shortage because of the falling number of children.

In the Human Resources Services Business, competition is expected to grow increasingly stringent in the personnel placement market. We will address this situation by reinforcing content on the various websites we operate to sign up more workers for placements and run effective promotions to expand operations in existing domains. We also plan to cultivate the new category of job placements for specialists. At the same time, we will focus on developing the skills of our workforce so that people newly hired following graduation and other young consultants can quickly perform important tasks for human resources services.

In temporary staffing, temporary-to-permanent staffing and business contracting, we plan to continue expanding the part-time staff placement service that started in the fiscal year ended March 31, 2016. To increase the number of people registered for this service, we are upgrading the content of "Haken de Part," a website exclusively for part-time staffing, and increasing promotional activities. Raising the awareness and perception of this website brand is another goal. In addition, there will be measures to strengthen sales activities. There will also be activities to increase the number of people registered for temporary placement assignments in the medical and welfare sectors.

In the Recruiting Business, increasing the effectiveness of advertisements and accumulating and sharing knowledge within our organization are two priorities. We also plan to build on the key strength of our extensive lines of communication between our advertising production team and client companies. We will use these measures to differentiate our recruiting services from those of other companies by providing client companies with ideas for highly effective recruiting advertisements. Another goal is adding new customers and deepening ties with existing customers by becoming a source of ideas for products and services for performing outsourced recruiting tasks, employee training and other activities in addition to recruitment advertisement services. The objective is to increase the number of Recruiting Business customers.

In the Information Publishing Business, we will make our core lifestyle information and home and wedding information magazines more appealing by increasing the volume of information and making other improvements. Another goal is to firmly establish gourmet, housing, travel and other "mook" (magazine + book) category and increase the variety of these publications. Other initiatives in this business are adding more concierge (face-to-face consultations) locations for housing, switching jobs, weddings and other categories and launching services in new domains. Our goal is to create media and supply services that can provide benefits for client companies, readers and users alike.

In the Internet-Related Business, we will use our core "Nihon no Jinjibu" website and HR Conferences along with measures to strengthen peripheral services in the human resources service industry and hold new types of events in order to assist client companies with activities to promote their products and services and attract more customers.

In addition, we will use the "Nihon no Jinjibu" brand and infrastructure and start developing new services that help solve issues faced by human resources professionals. The objective is to increase our clients other than those in the human resources service industry.

In Overseas Business, we will further strengthen personnel placement 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 16,100 million yen (up 10.4% year-on-year), operating profit of 2,170 million yen (up 8.6%), ordinary profit of 2,250 million yen (up 8.5%), and profit attributable to owners of parent of 1,550 million yen (up 11.4%) for the fiscal year ending March 31, 2018.

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

Quick positions the return of profits to shareholders as a priority management issue, and endeavors to achieve sustainable growth and increase corporate value.

With regard to the dividends of surplus, we aim to enhance our return of profits and augment shareholders' value with a basic policy that adopts 40% of profit attributable to owners of parent as our target dividend payout ratio, taking into consideration such factors as strengthening our financial base and future business developments.

Based on this dividend policy, for the fiscal year under review we forecast an annual dividend of 30 yen per share, consisting of a dividend of 14 yen at the end of the second quarter and 16 yen at fiscal year-end.

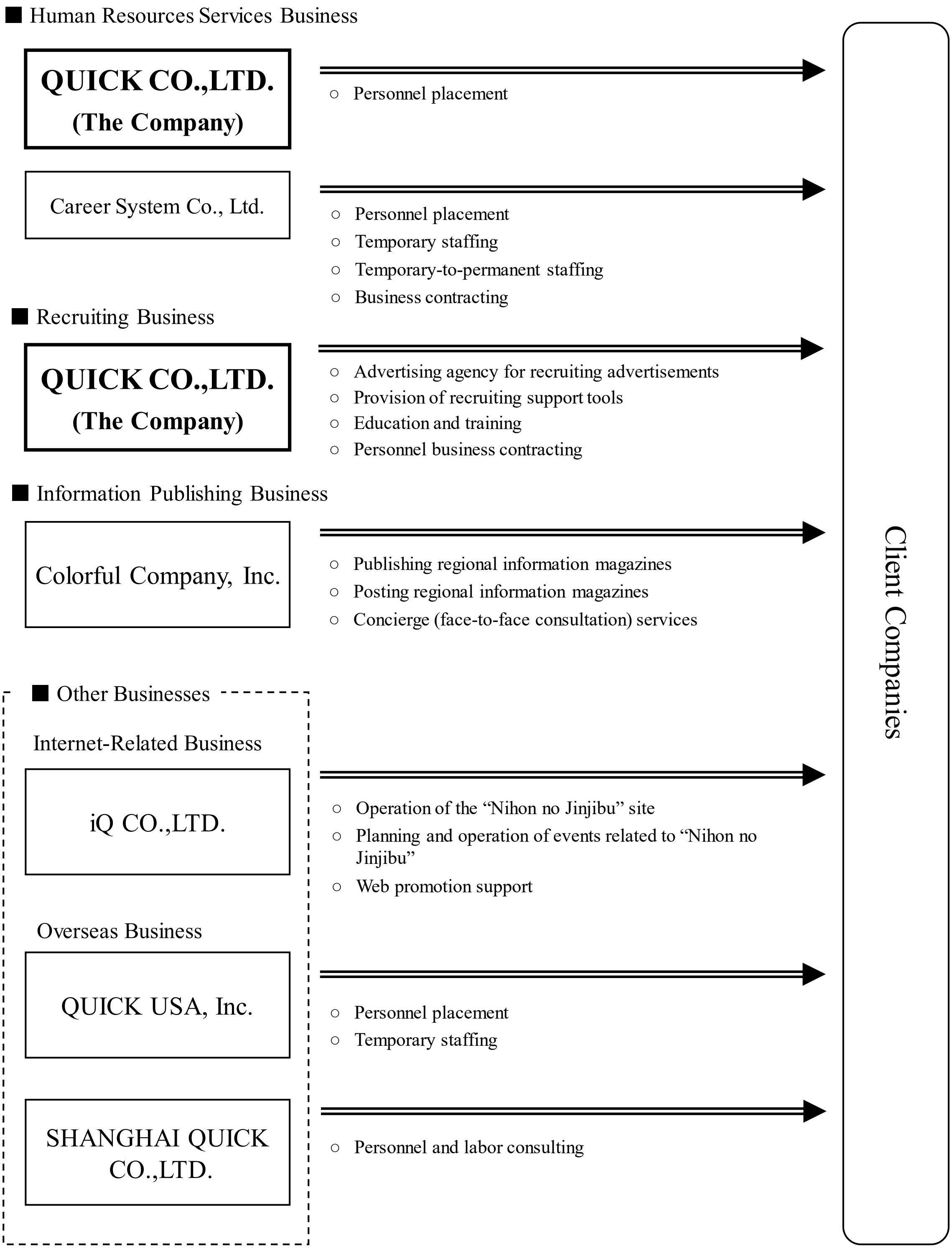
For the fiscal year ending March 31, 2018, we forecast an annual dividend of 34 yen per share, consisting of a dividend of 17 yen each at the end of the second quarter and fiscal year-end.

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

2. Corporate Group

The QUICK Group (the Company and its affiliated companies) consists of QUICK CO.,LTD. (the Company), five consolidated subsidiaries and three non-consolidated subsidiaries. Business operations are 1) Human Resources Services Business, 2) Recruiting 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. Three 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 personnel placement business, temporary staffing, temporary-to-permanent staffing and business contracting (Human Resources Services Business); advertising agency business for recruiting advertisements, education and training, personnel business contracting and provision of recruiting support tools (Recruiting Business); publication and posting of regional information magazines and concierge (face-to-face consultation) services (Information Publishing Business); operation of the "Nihon no Jinjibu" site, planning and operation of events related to the "Nihon no Jinjibu" and supports for Web promotions (Internet-Related Business); and personnel placement business, temporary staffing and personnel and labor consulting in the United States and China (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 careers. To achieve these goals and in order to attain stable growth and build a robust financial foundation, the Group aims to increase its ordinary profit margin and return on equity (ROE) over the medium to long-term.

(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 Human Resources Services Business and Recruiting 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

Based on its management philosophy of "making everyone involved happy" and 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 services. At the same time, we will continue to invest in strategic fields and grow in these fields with the goal of becoming the leader in these targeted markets. In the global human resources business, there are a growing number of Japanese companies that must deal with recruiting and personnel and labor issues at their overseas operations. In Japan, companies are having difficulty recruiting workers because of a labor shortage caused by the country's falling birthrate and aging population. We will use numerous activities in order to accomplish our goal of becoming a Sekai no Jinjibu that can help solve the labor issues of companies in Japan and other countries.

Furthermore, we will enhance education and training programs for our workforce in order to give our people the skills needed to accomplish these goals, thereby enabling the QUICK Group to grow even faster.

The issues in individual businesses are outlined below.

(Human Resources Services Business)

In the personnel placement business, human resources companies are competing fiercely to attract registrants for specialized jobs in the construction and civil engineering, pharmaceutical, manufacturing, and other business sectors. Competition is also intense in the nurse job placement market. To succeed, we are upgrading services and content on our websites to make them more useful and conducting effective promotional activities. By using a variety of actions, we will make the brands of all our websites more powerful and attract more people to register for job placements. In other moves to become more competitive, this business will train and develop the skills of young consultants and enter new markets.

In the temporary staffing, temporary-to-permanent staffing and business contracting business, there is a growing tendency for companies to hire temporary staffing workers as full-time employees because of Japan’s falling unemployment rate. Furthermore, in the medical and welfare sector, there is still strong demand for nurses, nursing care professionals and other people at medical and health care facilities. Attracting a sufficient number of people to register for medical and welfare temporary staffing placements is difficult as a result. We are strengthening our Group’s “Haken de Part” and “Medicare Career” websites and increasing other promotional activities and adding more content to websites in order to attract more people to register for medical and welfare jobs.

(Recruiting Business)

We expect demand for recruiting services at client companies to remain very strong as Japan’s labor shortage limits the supply of new workers. Competition among recruiting media companies is heated as a result. We plan to serve more companies by using many activities in addition to recruiting advertisements for increasing points of contact with companies. There will be seminars about recruiting techniques and other subjects and heightened sales activities for outsourced recruiting and other group services. Accumulating and sharing knowledge about effective recruiting advertising methods is another goal. There will also be measures to build stronger ties between our advertising production team and client companies. These activities will allow us to create ideas for advertising that can increase the success of recruiting programs and lower the risk of losing customers.

(Information Publishing Business)

New competitors and intense price competition are creating challenges for this business. We are responding by conducting operations that leverage the resources of our existing businesses. For example, we are increasing the volume of information in our major media, supplying more variations and increasing the number of locations that provide concierge services. We will also strengthen our organization through extensive education and training programs to reinforce sales capabilities and improve management skills.

(Other Businesses)

1) Internet-Related Business

We foresee more growth in the need for promotional activities at human resources service companies because of actions by the Japanese government regarding its “reforms for how people work.” We will use the power of the “Nihon no Jinjibu” brand and originality of this service to conduct aggressive activities to recruit people to work at the QUICK Group. We want to establish a sound base for consistent medium to long-term growth of the Internet-Related Business.

2) Overseas Business

In the United States, there is strong demand for human resources services at client companies as the U.S. economy slowly recovers. But client companies are recruiting fewer Japanese workers due to the internal demand growth policies of the Trump administration. Furthermore, we expect that stricter standards for new working visas and renewals will make it more difficult to register new people for job placements. In response, U.S. operations are using job fairs, seminars and other measures to attract people for job placements and working on improving productivity with actions that include price revisions. Recruiting and training activities for QUICK's own workforce are another priority in order to strengthen sales activities and the entire U.S. business organization.

In China, there are an increasing number of issues involving labor relations at the local companies as workers become more aware of their rights. As a result, there is steady growth in the need for personnel and labor consulting services. To meet this need, we are assembling a new business model in China that can be a one-stop source of support extending from solving client companies' recruiting and personnel and labor issues to employee training programs. We are determined to expand in China by increasing our ability to meet customers' needs for streamlining operations, creating a more proactive working environment, preventing labor problems and accomplishing other goals of client companies.

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 and Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	FY3/16 (As of Mar. 31, 2016)	FY3/17 (As of Mar. 31, 2017)
Assets		
Current assets		
Cash and deposits	3,430,787	4,669,428
Notes and accounts receivable-trade	1,625,089	1,784,605
Deferred tax assets	139,289	201,772
Other	301,898	334,404
Allowance for doubtful accounts	(8,592)	(1,845)
Total current assets	5,488,472	6,988,364
Non-current assets		
Property, plant and equipment		
Buildings and structures	963,286	992,752
Accumulated depreciation	(574,409)	(601,190)
Buildings and structures, net	388,876	391,561
Vehicles	1,433	3,436
Accumulated depreciation	(430)	(687)
Vehicles, net	1,003	2,749
Tools, furniture and fixtures	131,362	156,133
Accumulated depreciation	(81,146)	(91,255)
Tools, furniture and fixtures, net	50,215	64,877
Land	276,869	276,869
Leased assets	44,063	44,063
Accumulated depreciation	(32,462)	(36,147)
Leased assets, net	11,600	7,915
Total property, plant and equipment	728,565	743,973
Intangible assets		
Leased assets	27,078	16,514
Other	158,711	203,055
Total intangible assets	185,789	219,569
Investments and other assets		
Investment securities	528,812	882,788
Lease deposits	362,695	410,030
Deferred tax assets	920	3,479
Other	40,309	70,996
Allowance for doubtful accounts	(4,193)	(18,527)
Total investments and other assets	928,544	1,348,767
Total non-current assets	1,842,899	2,312,310
Total assets	7,331,371	9,300,675

(Thousands of yen)

	FY3/16 (As of Mar. 31, 2016)	FY3/17 (As of Mar. 31, 2017)
Liabilities		
Current liabilities		
Accounts payable-trade	604,301	653,118
Short-term loans payable	191,402	189,902
Accounts payable-other	528,016	713,656
Accrued expenses	309,649	376,407
Lease obligations	14,226	13,895
Income taxes payable	311,459	522,873
Accrued consumption taxes	132,549	226,340
Provision for bonuses	242,456	406,918
Provision for directors' bonuses	-	52,450
Provision for repayment	15,600	15,000
Asset retirement obligations	-	1,465
Other	121,488	129,242
Total current liabilities	2,471,149	3,301,271
Non-current liabilities		
Lease obligations	24,854	10,959
Deferred tax liabilities	89,829	153,568
Asset retirement obligations	34,821	37,965
Other	1,863	746
Total non-current liabilities	151,368	203,239
Total liabilities	2,622,518	3,504,510
Net assets		
Shareholders' equity		
Capital stock	351,317	351,317
Capital surplus	307,998	307,998
Retained earnings	3,825,954	4,728,581
Treasury shares	(18,975)	(19,019)
Total shareholders' equity	4,466,294	5,368,878
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	231,507	420,525
Foreign currency translation adjustment	11,051	6,760
Total accumulated other comprehensive income	242,558	427,285
Total net assets	4,708,853	5,796,164
Total liabilities and net assets	7,331,371	9,300,675

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)
Net sales	12,498,855	14,578,829
Cost of sales	5,170,521	5,904,003
Gross profit	7,328,334	8,674,825
Selling, general and administrative expenses	5,640,917	6,676,660
Operating profit	1,687,417	1,998,165
Non-operating income		
Interest income	658	355
Dividend income	8,298	8,830
Sale cooperation fee	17,338	26,000
Book sales commission	12,219	20,682
Other	14,786	22,853
Total non-operating income	53,301	78,721
Non-operating expenses		
Interest expenses	3,032	2,728
Other	554	387
Total non-operating expenses	3,587	3,115
Ordinary profit	1,737,131	2,073,770
Extraordinary income		
Gain on sales of investment securities	7,226	-
Total extraordinary income	7,226	-
Extraordinary losses		
Loss on sales of non-current assets	-	517
Loss on retirement of non-current assets	13,104	1,399
Total extraordinary losses	13,104	1,916
Profit before income taxes	1,731,253	2,071,853
Income taxes-current	539,332	766,970
Income taxes-deferred	23,766	(86,221)
Total income taxes	563,098	680,748
Profit	1,168,154	1,391,104
Loss attributable to non-controlling interests	(2,370)	-
Profit attributable to owners of parent	1,170,524	1,391,104

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)
Profit	1,168,154	1,391,104
Other comprehensive income		
Valuation difference on available-for-sale securities	(9,433)	189,018
Foreign currency translation adjustment	(2,127)	(4,291)
Total other comprehensive income	(11,561)	184,726
Comprehensive income	1,156,593	1,575,831
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,158,970	1,575,831
Comprehensive income attributable to non-controlling interests	(2,377)	-

(3) Consolidated Statement of Changes in Equity

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 ownership interest of parent due to transactions with non-controlling interests		(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 ownership interest of parent due to transactions with non-controlling interests					(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

FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	351,317	307,998	3,825,954	(18,975)	4,466,294
Changes of items during period					
Dividends of surplus			(488,477)		(488,477)
Profit attributable to owners of parent			1,391,104		1,391,104
Purchase of treasury shares				(43)	(43)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	902,627	(43)	902,584
Balance at end of current period	351,317	307,998	4,728,581	(19,019)	5,368,878

(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	231,507	11,051	242,558	-	4,708,853
Changes of items during period					
Dividends of surplus					(488,477)
Profit attributable to owners of parent					1,391,104
Purchase of treasury shares					(43)
Net changes of items other than shareholders' equity	189,018	(4,291)	184,726	-	184,726
Total changes of items during period	189,018	(4,291)	184,726	-	1,087,310
Balance at end of current period	420,525	6,760	427,285	-	5,796,164

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)
Cash flows from operating activities		
Profit before income taxes	1,731,253	2,071,853
Depreciation	102,302	125,157
Increase (decrease) in allowance for doubtful accounts	6,989	7,586
Increase (decrease) in provision for bonuses	(44,469)	164,461
Increase (decrease) in provision for directors' bonuses	(30,700)	52,450
Increase (decrease) in provision for repayment	(2,200)	(600)
Interest and dividend income	(8,956)	(9,185)
Interest expenses	3,032	2,728
Loss (gain) on sales of non-current assets	-	517
Loss on retirement of non-current assets	13,104	1,399
Loss (gain) on sales of investment securities	(7,226)	-
Decrease (increase) in notes and accounts receivable-trade	(72,188)	(155,211)
Increase (decrease) in notes and accounts payable-trade	4,763	49,021
Decrease (increase) in lease and guarantee deposits	(59,656)	(47,431)
Increase (decrease) in accrued consumption taxes	(175,273)	93,791
Other, net	86,431	226,655
Subtotal	1,547,207	2,583,193
Interest and dividend income received	8,956	9,186
Interest expenses paid	(3,019)	(2,716)
Income taxes paid	(598,420)	(589,123)
Net cash provided by (used in) operating activities	954,724	2,000,540
Cash flows from investing activities		
Purchase of property, plant and equipment	(115,763)	(20,966)
Proceeds from sales of property, plant and equipment	-	330
Purchase of intangible assets	(96,303)	(103,853)
Purchase of investment securities	(17,402)	(80,469)
Proceeds from sales of investment securities	8,226	-
Payments of loans receivable	-	(50,000)
Other, net	-	(800)
Net cash provided by (used in) investing activities	(221,242)	(255,758)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(700)	(1,500)
Repayments of long-term loans payable	(11,702)	-
Repayments of lease obligations	(15,487)	(14,686)
Purchase of treasury shares	-	(43)
Cash dividends paid	(412,637)	(488,013)
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	(452,267)	(504,243)
Effect of exchange rate change on cash and cash equivalents	(1,803)	(1,897)
Net increase (decrease) in cash and cash equivalents	279,410	1,238,640
Cash and cash equivalents at beginning of period	3,121,376	3,400,787
Cash and cash equivalents at end of period	3,400,787	4,639,428

Segment Information

1. Outline of reportable segments

The reportable segments of the Company 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 personnel placement and temporary staffing, providing services related to recruiting advertisement, 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: Human Resources Services Business, Recruiting Business and Information Publishing Business. Businesses not included in these reportable segments are categorized as Other Businesses.

Main activities of the Human Resources Services Business include personnel placement, temporary staffing, temporary-to-permanent staffing and business contracting. 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 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 personnel placement, temporary staffing, and personnel and labor consulting in the United States and China (Overseas Business).

(Changes in the presentation order of the reportable segments)

Starting with the fiscal year ended March 31, 2017, the Human Resources Service Business and Recruiting Business are presented in the reverse order of prior years in order to list the segment with higher sales and earnings first. Accordingly, reportable segments for the fiscal year ended March 31, 2016 are also reclassified to conform to the current fiscal year’s presentation.

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

Profits for reportable segments are generally operating profit.

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

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

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

Notes: 1. Other represents 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 the 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 profit shown on the consolidated statement of income.

FY3/17 (Apr. 1, 2016 – Mar. 31, 2017) (Thousands of yen)

	Reportable Segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount in the consolidated financial statements (Note 3)
	Human Resources Services Business	Recruiting Business	Information Publishing Business	Subtotal				
Net sales								
Sales to external customers	8,155,566	3,575,889	1,794,595	13,526,050	1,052,778	14,578,829	-	14,578,829
Inter-segment sales and transfers	3,206	6,978	10,476	20,661	61,016	81,677	(81,677)	-
Total	8,158,772	3,582,867	1,805,071	13,546,711	1,113,794	14,660,506	(81,677)	14,578,829
Segment profit	1,491,492	903,235	68,557	2,463,284	182,112	2,645,396	(647,231)	1,998,165
Segment assets	3,643,056	2,196,184	1,071,235	6,910,476	775,585	7,686,062	1,614,613	9,300,675
Other items								
Depreciation	63,661	3,527	19,394	86,583	6,651	93,235	31,922	125,157
Increase in property, plant and equipment and intangible assets	81,139	1,640	45,933	128,713	36,650	165,363	5,495	170,858

Notes: 1. Other represents 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 (647,231) thousand yen adjustment to segment profit includes elimination for inter-segment transactions of 126,147 thousand yen, and (773,378) 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 1,614,613 thousand yen adjustment to segment assets includes elimination for inter-segment transactions of (171,119) thousand yen, and 1,785,732 thousand yen in company-wide assets that cannot be allocated to any specific reportable segments. Company-wide assets consist primarily of the Company’s excess funds (cash and deposits), long-term investments (investment securities), and assets which belong to the administration division.

(3) The 31,922 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 5,495 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 profit 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.