# Results of Operations for the Fiscal Year Ended March 31, 2018 (FY3/18)

QUICK CO.,LTD.

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# 1 FY3/18 Consolidated Financial Summary

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# 8th consecutive year of sales and earnings growth

## Both sales and earnings rose to new record highs

| | | |
|---|---|---|
| Net sales | 16,775 million yen | Up 15.1% YoY<br>Up 4.2% vs. plan |
| Operating profit | 2,198 million yen | Up 10.0% YoY<br>Up 1.3% vs. plan |
| Ordinary profit | 2,300 million yen | Up 10.9% YoY<br>Up 2.2% vs. plan |
| Profit attributable to owners of parent | 1,627 million yen | Up 17.0% YoY<br>Up 5.0% vs. plan |

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# 1 FY3/18 Consolidated Financial Highlights 2

**Point 1.**
**Operating Environment**

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

- Demand for workers at companies increased due to the strong economy and the labor shortage continued because of Japan's aging population and declining number of children.
- Many companies in Japan are implementing "work style reforms."

**Point 2.**
**Our Activities**

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

- One priority was personnel placement and temporary staffing services for professionals, a job category with a severe shortage of qualified workers and difficulty recruiting people.
- We strengthened our recruiting consulting services and increased the effectiveness of our recruiting advertisements.

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# Human Resources Services Business is growing rapidly

## 1. Human Resources Service Business

Net sales: **9,915** million yen Operating profit: **1,735** million yen

## 2. Recruiting Business

Net sales: **3,693** million yen Operating profit: **881** million yen

## 3. Information Publishing Business

Net sales: **1,762** million yen Operating profit: **3** million yen

## 4. Other Businesses

Net sales: **1,404** million yen Operating profit: **198** million yen

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# 2 FY3/18 Consolidated Financial Results

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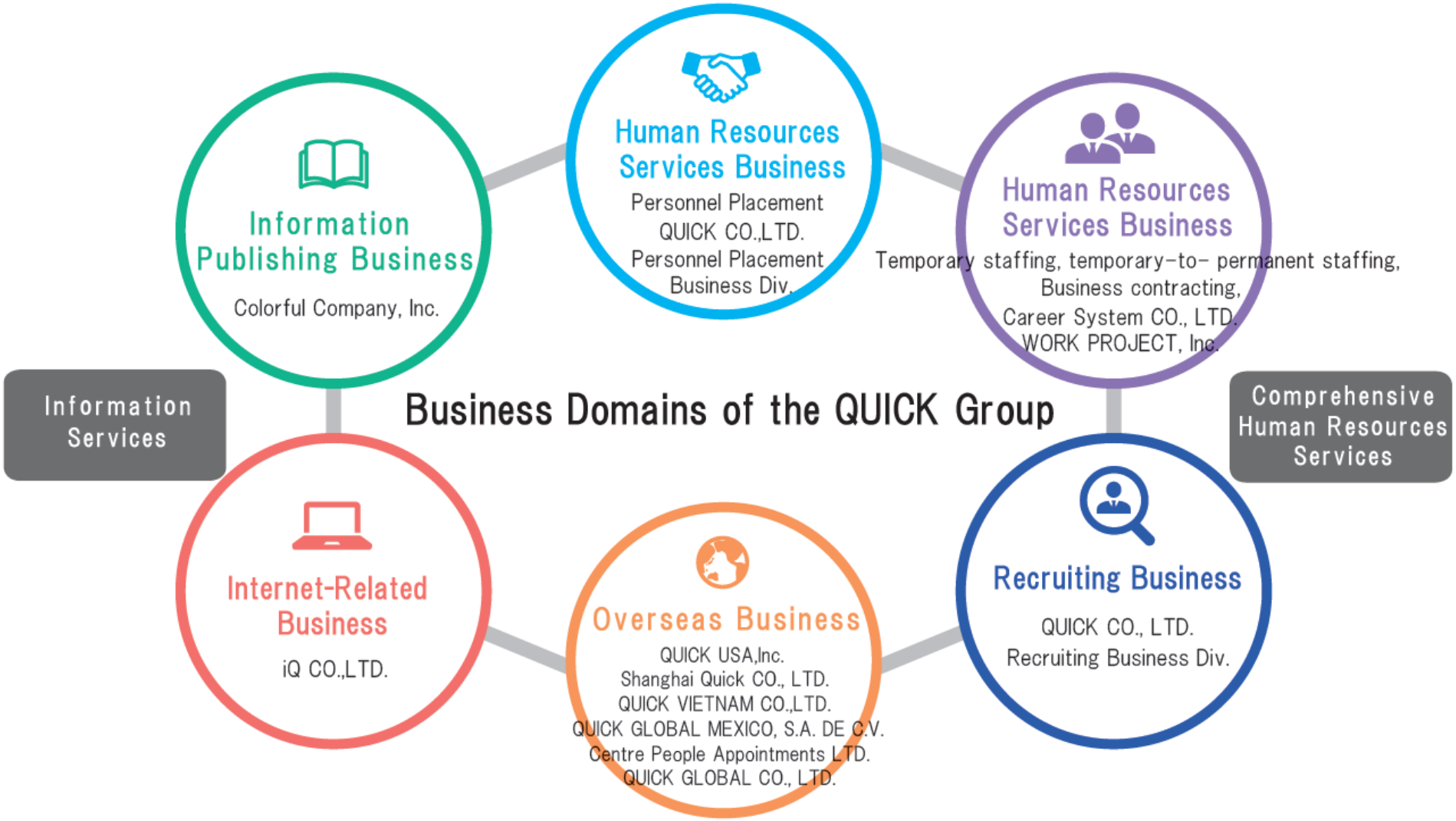
# 2 Business Domains of the QUICK Group

## Contributing to society through human resources and information businesses

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# 2 FY3/18 Segment Results

## 1. Human Resources Service Business

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

**Net sales: 9,915 million yen Operating profit: 1,735 million yen**

■ Sales (Millions of yen)

- Personnel placement : 1,095 ↗
- Temporary staffing: 467 ↗

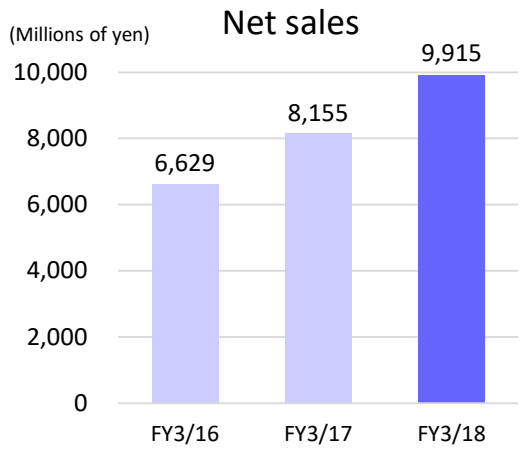
  (of which WORK PROJECT, Inc.* : 202)

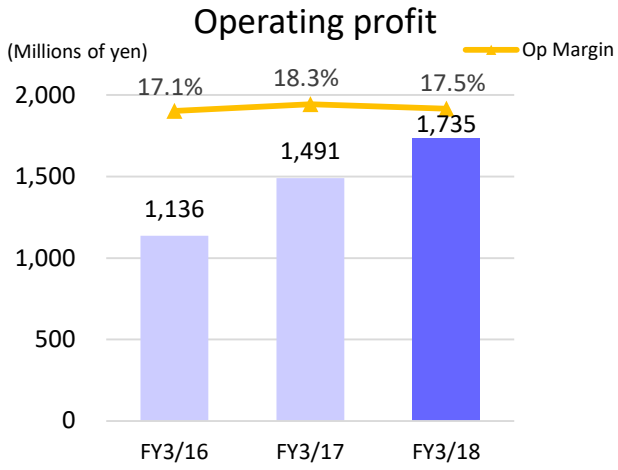
■ Operating expenses (Millions of yen)

- Personnel placement strengthened promotions: 250 ↗
- Higher temporary staffing sales resulted in an increase in labor cost: 360 ↗

  (of which WORK PROJECT, Inc.* 150)
- Higher personnel expenses due to increased workforce and improved compensation, etc.: 537 ↗

* Consolidated in FY3/18 (net increase)

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## 2. Recruiting Business

**A strong performance by recruiting media for hiring full-time and part-time workers**

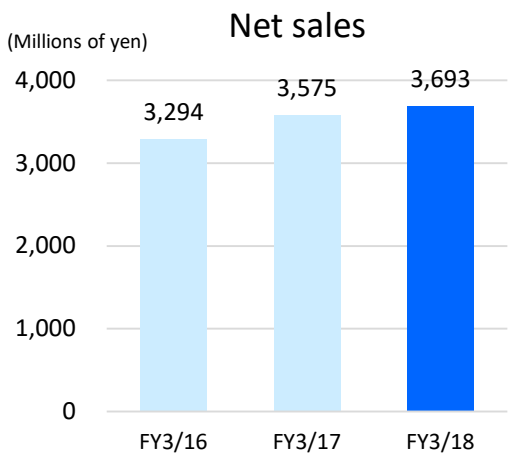
**Net sales: 3,693 million yen Operating profit: 881 million yen**

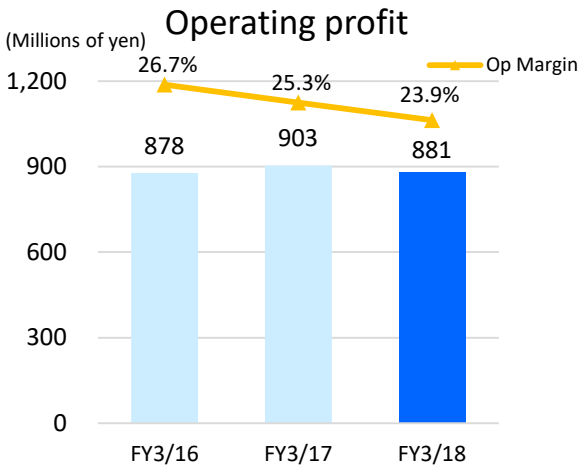
■ Sales (Millions of yen)

- Recruiting advertising: 140 ↗
- In-house planned products: 12 ↗
- Recruit Holdings incentives: (23) ↘

■ Operating expenses (Millions of yen)

- Higher cost of sales due to sales growth: 81 ↗
- Personnel expenses for improved compensation, etc.: 71 ↗

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## 3. Information Publishing Business

**Posting service performed well but lifestyle information magazines faced challenges**

**Net sales: 1,762 million yen Operating profit: 3 million yen (*)**

### ■ Sales (Millions of yen)

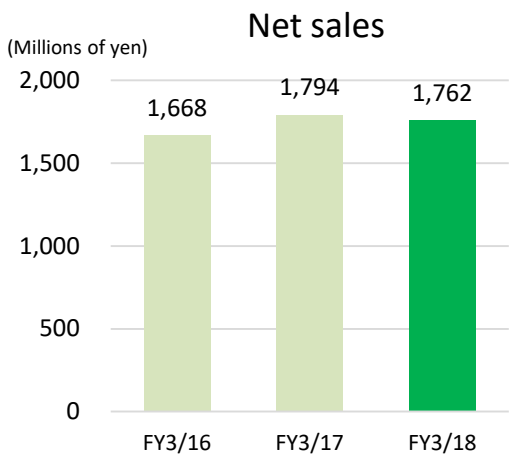
- Free paper: (65) ↘

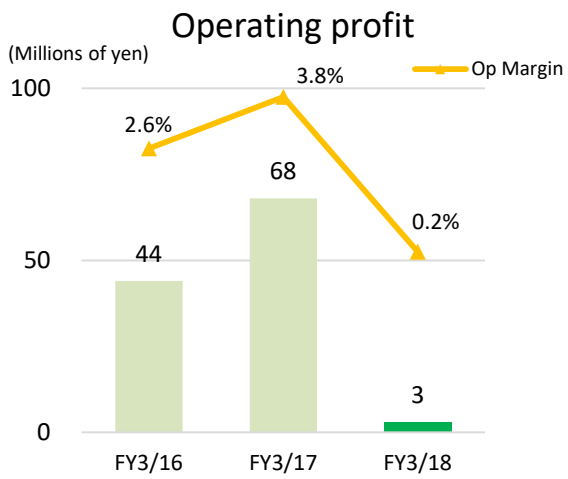
  (includes a decrease in sales due to combining and terminating some papers)
- Other internal media: 22 ↗
- Posting: 16 ↗

### ■ Operating expenses (Millions of yen)

- Personnel and other related expenses: 30 ↗

* Operating profit does not include the bookstore sales of **22 million yen**.

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## 4. Other Businesses (Internet-Related Business、Overseas Business)

**Nihon no Jinjibu (Japan's Human Resources Department) continued to perform well.**
**Operations in Mexico and the UK were consolidated starting in FY3/18.**

**Net sales: 1,404 million yen Operating profit: 198 million yen**

### ■ Sales (Millions of yen)

- Nihon no Jinjibu: 69 ↗
- Overseas Business: 322 ↗

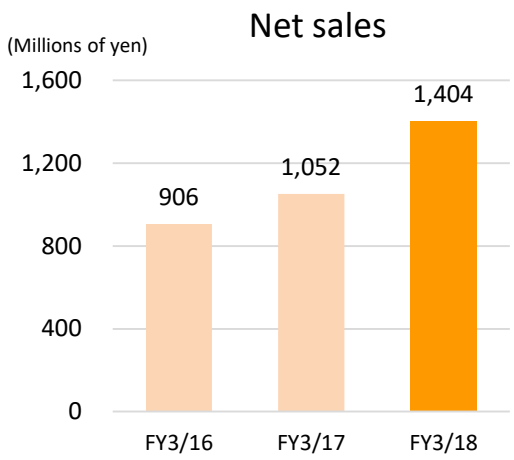
  (USA: 53, Mexico: 57*, UK: 217*)

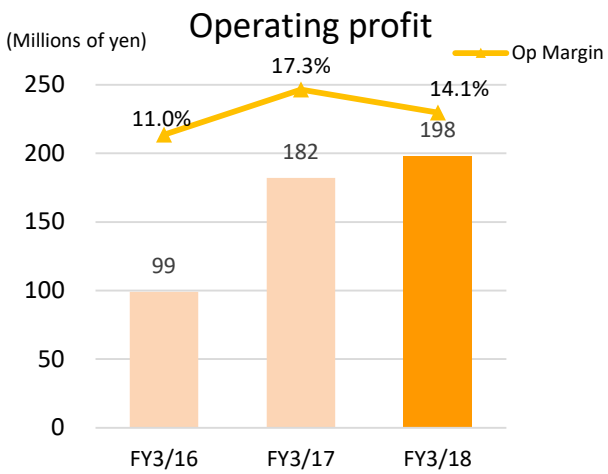
### ■ Operating expenses (Millions of yen)

- Internet-Related Business (Advertising and other expenses) : 37 ↗
- Overseas Business : 285 ↗

  (USA: 47, Mexico: 53*, UK: 208*)

  * Consolidated in FY3/18 (net increase)

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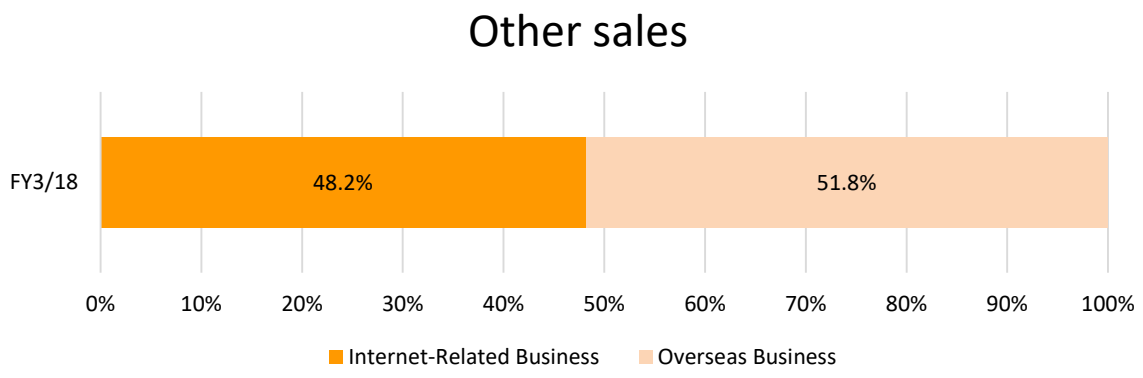
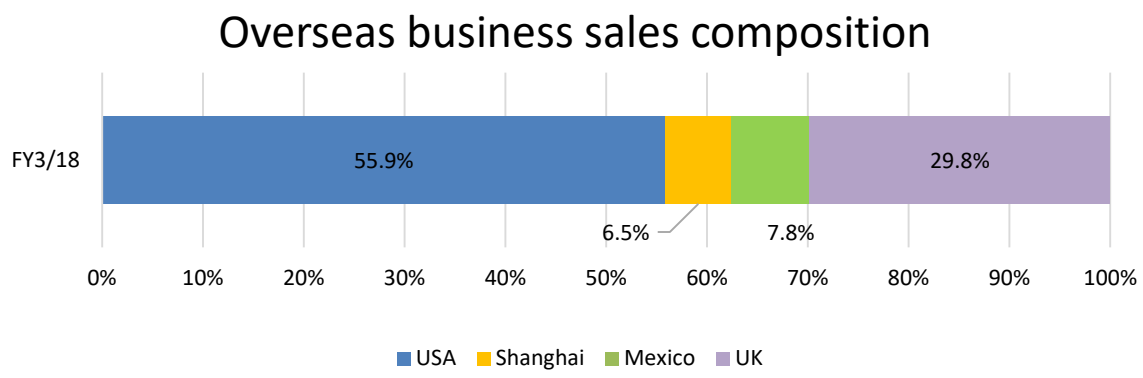
## Other Businesses (Internet-Related Business, Overseas Business)

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# 3 FY3/19 Consolidated Earnings Forecast

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# Take on the challenge of raising sales to 100 billion yen in 2030

**1**

**Strategic objectives for 10 years from now**

- Growth of current businesses and launch and growth of new businesses
- Continue making substantial investments for M&A and new business models that use artificial intelligence

**2**

**Aim for growth of the global human resources business and the expansion of Overseas Business.**

As Japan's working age population falls due to an aging population and declining number of children, start an employee relocation support business to assist clients with reassignments of their employees on a global scale.

**3**

**Increase activities to develop employees' skills and help them achieve their career goals.**

Build a stronger organizational structure and make changes to personnel systems to achieve "work-style reform"

Career advancement support encompassing all group business operations, an employee training program framework, and the expansion and strengthening of recruiting activities

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# Forecast 9th consecutive year of sales and earnings growth, and 6th consecutive record-high operating and ordinary profits

| | | |
|---|---|---|
| Net sales | 18,500 million yen | Up 10.3% YoY |
| Operating profit | 2,300 million yen | Up 4.6% YoY |
| Ordinary profit | 2,530 million yen | Up 10.0% YoY |
| Profit attributable to owners of parent | 1,750 million yen | Up 7.8% YoY |

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# 3 FY3/19 Business Segment Goals

## 1. Human Resources Service Business

**Growth of placements and temporary staffing of skilled professionals in new categories by using highly effective promotional activities**

**Net sales: 11,258 million yen Ordinary profit: 1,866 million yen**

### Personnel placement –Become the leader in targeted market sectors

- Placements of professionals: Reinforce activities in current market sectors and add services for more categories of skilled professionals
- Placements of nurses: Continue increasing our presence in the provision of nurses to hospitals and strengthen activities involving at-home medical care and nursing care facilities

### Temporary staffing – Strengthen sectors that other human resources companies do not normally serve

- Reinforcing medical/welfare care operations
- Increase the profitability of temporary staffing of childcare workers

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## 2. Recruiting Business

**Strengthen sales activities that include consulting for more successful recruiting activities**

**Net sales: 3,702 million yen Operating profit: 832 million yen**

**Strengthen sales activities that include consulting based on the firm support received from customers**

- New graduates/mid-career professionals: By strengthening activities in value-added categories, achieve recruiting success in ways that are not possible when using only recruiting advertisements

  **Be a one-stop source of all-inclusive solutions**

- Part-time workers: Our goal is to be the leader in sales by far in Recruit Holdings partner sales

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# 3 FY3/19 Business Segment Goals

## 3. Information Publishing Business

**Reinforce regional media and the posting service and expand "real" services**

**Net sales: 1,808 million yen Operating profit: 55 million yen (*)**

**Aim to be the leading regional media and to conduct business activities that invigorate regional economies**

- Infrastructure type media (lifestyle information magazines, Iedukuri Navi and Kekkon Sanka)

  Acquire an enormous volume of information and increase the use of digital media
- Strengthen human resources services with a focus on regions

  Make Cococolor Tenshoku more powerful
- Continue to strengthen the posting service (inserts in newspapers and other publications)

* Operating profit does not include the bookstore sales.

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## 4. Other Businesses (Internet-Related Business, Overseas Business)

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

**Net sales: 1,731 million yen Operating profit: 167 million yen**

### Internet-Related Business –Capture the largest share by far in the human resources industry

- Establish Nihon no Jinjibu as the leading brand
  Create a new business model for the Nihon no Jinjibu website

  * Forecast a sales decrease of about 40 million yen due to a reexamination of the handling of advertisements using the media of certain companies

### Overseas Business –Start a human resources services business for clients' global employment needs

- As Japan's working age population falls due to an aging population and declining number of children, start an employee relocation support business to assist clients with reassignments of their employees on a global scale.

  * QUICK VIETNAM CO., LTD. and QUICK GLOBAL CO., LTD. became consolidated subsidiaries in FY3/19.

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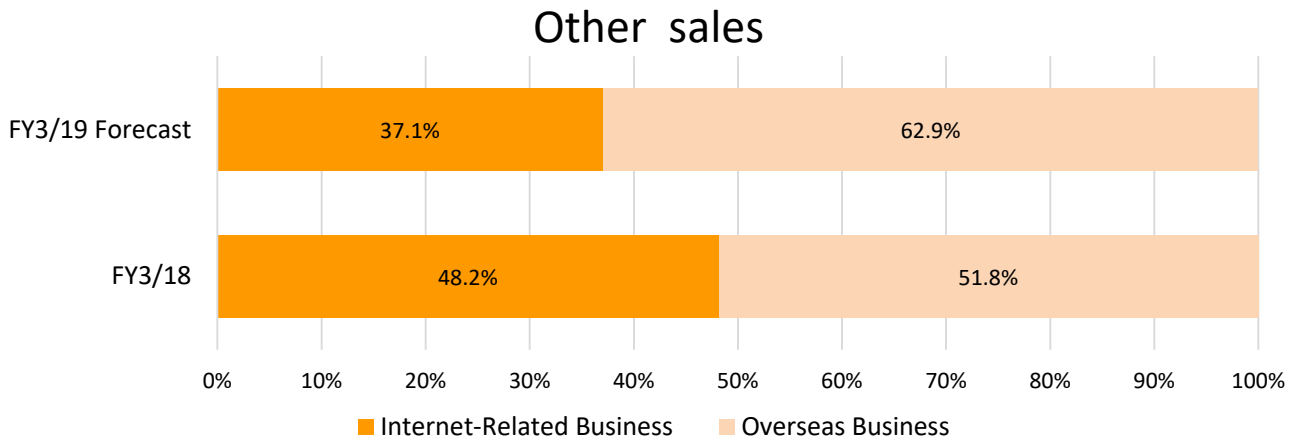
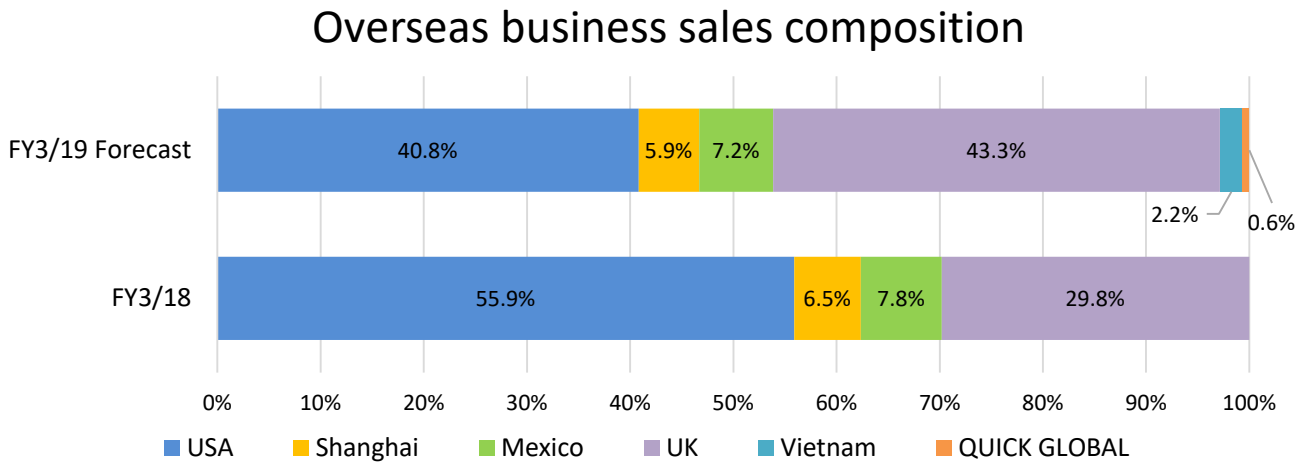
# 3 FY3/19 Business Segment Goals

## ■ Other Businesses (Internet-Related Business, Overseas Business)

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# 3 FY3/19 Dividends Forecast

**Payout ratio**

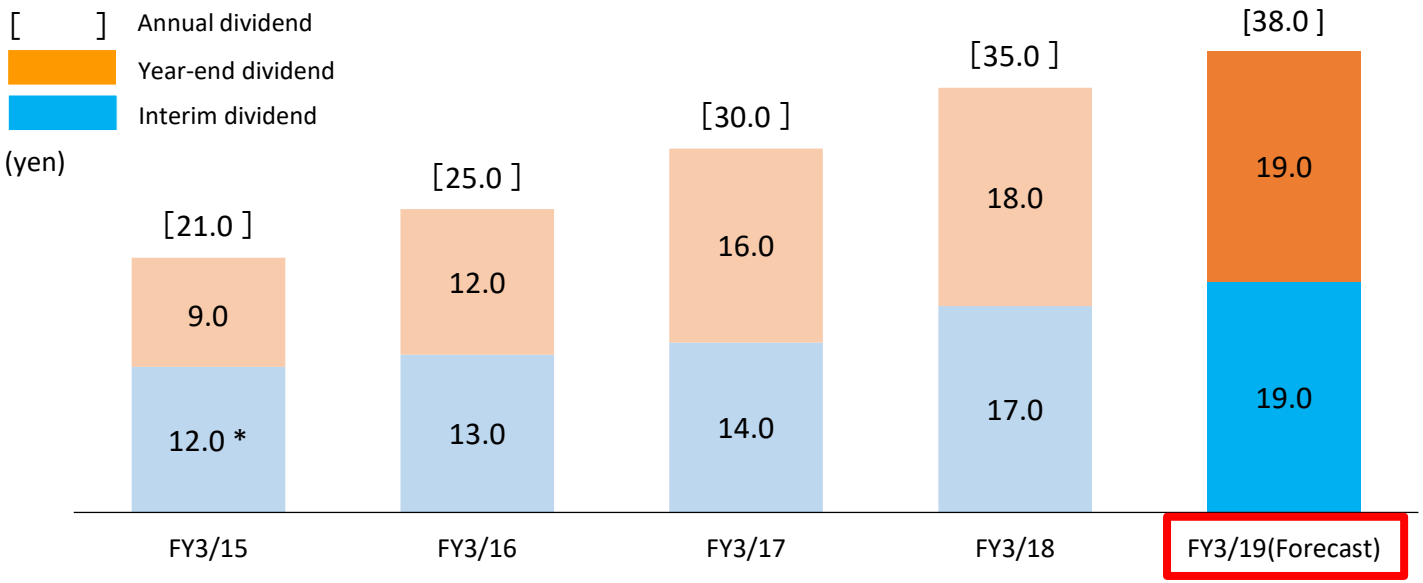
**The basic policy is to pay a dividend equal to 40% of profit attributable to owners of parent.**

**FY3/19 Dividends Forecast**

**Annual dividend 38 yen**

***Interim dividend 19.0 yen + Year-end dividend 19.0 yen**

## Trend in Dividend per Share




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

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# 4 Medium-term Management Plan

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# 4 Medium-term Management Plan

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

(Millions of yen)

| | FY3/18 | FY3/19 | | FY3/20 | | FY3/21 | |
|---|---|---|---|---|---|---|---|
| | | Forecast | YoY change | Forecast | YoY change | Forecast | YoY change |
| Net sales | 16,775 | 18,500 | 10.3% | 21,000 | 13.5% | 23,850 | 13.6% |
| Gross profit | 9,748 | 10,750 | 10.3% | 12,320 | 14.6% | 14,080 | 14.3% |
| Selling, general and administrative expenses | 7,549 | 8,450 | 11.9% | 9,500 | 12.4% | 10,650 | 12.1% |
| Operating profit | 2,198 | 2,300 | 4.6% | 2,820 | 22.6% | 3,430 | 21.6% |
| Ordinary profit | 2,300 | 2,530 | 10.0% | 2,850 | 12.6% | 3,460 | 21.4% |
| Profit attributable to owners of parent | 1,627 | 1,753 | 7.8% | 1,970 | 12.3% | 2,391 | 21.4% |
| Gross margin | 58.1% | 58.1% | 0.0pt | 58.7% | 0.6pt | 59.0% | 0.3pt |
| Operating margin | 13.1% | 12.4% | (0.7)pt | 13.4% | 1.0pt | 14.4% | 1.0pt |
| Ordinary margin | 13.7% | 13.7% | 0.0pt | 13.6% | (0.1)pt | 14.5% | 0.9pt |
| Profit attributable to owners of parent margin | 9.7% | 9.5% | (0.2)pt | 9.4% | (0.1)pt | 10.0% | 0.6pt |

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

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

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

（Millions of yen）

| Segment | | FY3/18 | FY3/19 Forecast | FY3/19 YoY change | FY3/20 Forecast | FY3/20 YoY change | FY3/21 Forecast | FY3/21 YoY change |
|---|---|---|---|---|---|---|---|---|
| Sales | Human Resources Services Business | 9,915 | 11,258 | 13.5% | 13,171 | 17.0% | 15,314 | 16.3% |
| | Recruiting Business | 3,693 | 3,702 | 0.2% | 3,923 | 6.0% | 4,056 | 3.4% |
| | Information Publishing Business | 1,762 | 1,808 | 2.6% | 1,913 | 5.8% | 2,080 | 8.7% |
| | Other | 1,404 | 1,731 | 23.3% | 1,991 | 15.0% | 2,398 | 20.4% |
| | Total | 16,775 | 18,500 | 10.3% | 21,000 | 13.5% | 23,850 | 13.6% |
| Operating profit | Human Resources Services Business | 1,735 | 1,866 | 7.6% | 2,234 | 19.7% | 2,540 | 13.7% |
| | Recruiting Business | 881 | 832 | (5.6)% | 860 | 3.3% | 901 | 4.8% |
| | Information Publishing Business | 3 | 55 | 1,523.8% | 107 | 95.0% | 187 | 74.3% |
| | Other | 198 | 167 | (15.5)% | 243 | 45.2% | 426 | 75.3% |
| | Adjustment | (619) | (621) | 0.3% | (625) | 0.7% | (626) | 0.1% |
| | Total | 2,198 | 2,300 | 4.6% | 2,820 | 22.6% | 3,430 | 21.6% |

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# 5 Supplementary Materials

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# 5 FY3/18 Financial Results (YoY Change/Vs. Plan)

## YoY Change/Vs. Plan

(Millions of yen)

| | FY3/18 | FY3/17 | | | FY3/18 Plan | | |
|---|---|---|---|---|---|---|---|
| | | Results | YoY change (amount) | YoY change (%) | Plan | Vs. Plan (amount) | Vs. Plan (%) |
| Net sales | 16,775 | 14,578 | 2,196 | 15.1% | 16,100 | 675 | 4.2% |
| Gross profit | 9,748 | 8,674 | 1,073 | 12.4% | 9,360 | 388 | 4.1% |
| Selling, general and administrative expenses | 7,549 | 6,676 | 872 | 13.1% | 7,190 | 359 | 5.0% |
| Operating profit | 2,198 | 1,998 | 200 | 10.0% | 2,170 | 28 | 1.3% |
| Ordinary profit | 2,300 | 2,073 | 226 | 10.9% | 2,250 | 50 | 2.2% |
| Profit attributable to owners of parent | 1,627 | 1,391 | 236 | 17.0% | 1,550 | 77 | 5.0% |

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# 5 FY3/18 Segment Results (YoY Change/Vs. Plan)

## YoY Change/Vs. Plan

(Millions of yen)

| Segment | | FY3/18 | FY3/17 | | | FY3/18 Plan | | |
|---|---|---|---|---|---|---|---|---|
| | | | Results | YoY change (amount) | YoY change (%) | Plan | Vs. Plan (amount) | Vs. Plan (%) |
| Sales | Human Resources Services Business | 9,915 | 8,155 | 1,759 | 21.6% | 9,546 | 368 | 3.9% |
| | Recruiting Business | 3,693 | 3,575 | 117 | 3.3% | 3,673 | 19 | 0.5% |
| | Information Publishing Business | 1,762 | 1,794 | (32) | (1.8)% | 1,727 | 34 | 2.0% |
| | Other | 1,404 | 1,052 | 351 | 33.4% | 1,152 | 252 | 21.9% |
| | Total | 16,775 | 14,578 | 2,196 | 15.1% | 16,100 | 675 | 4.2% |
| Operating profit | Human Resources Services Business | 1,735 | 1,491 | 243 | 16.3% | 1,639 | 95 | 5.8% |
| | Recruiting Business | 881 | 903 | (21) | (2.4)% | 870 | 11 | 1.3% |
| | Information Publishing Business | 3 | 68 | (65) | (95.0)% | 22 | (19) | (85.1)% |
| | Other | 198 | 182 | 16 | 9.0% | 210 | (12) | (5.8)% |
| | Adjustment | (619) | (647) | 27 | - | (572) | (46) | - |
| | Total | 2,198 | 1,998 | 200 | 10.0% | 2,170 | 28 | 1.3% |

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

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# 5 FY3/19 Consolidated Earnings Forecast

## FY3/19 Earnings/dividends forecasts (YoY change)

(Millions of yen)

| | FY3/19 | | | | | | FY3/18 (Full year) |
|---|---|---|---|---|---|---|---|
| | 1H forecast | | 2H forecast | | Full year forecast | | |
| | Amount | YoY change | Amount | YoY change | Amount | YoY change | Amount |
| Net sales | 9,695 | 15.4% | 8,804 | 5.2% | 18,500 | 10.3% | 16,775 |
| Gross profit | 6,127 | 17.3% | 4,622 | 2.1% | 10,750 | 10.3% | 9,748 |
| Selling, general and administrative expenses | 4,197 | 19.0% | 4,252 | 5.7% | 8,450 | 11.9% | 7,549 |
| Operating profit | 1,929 | 13.9% | 370 | (26.5)% | 2,300 | 4.6% | 2,198 |
| Ordinary profit | 1,951 | 11.8% | 578 | 4.2% | 2,530 | 10.0% | 2,300 |
| Profit attributable to owners of parent | 1,351 | 10.0% | 401 | 0.8% | 1,753 | 7.8% | 1,627 |
| Dividend per share (yen) | 19.0 | 2.0 yen | 19.0 | 1.0 yen | 38.0 | 3.0 yen | 35.0 |

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# 5 FY3/19 Forecast by Segment

## FY3/19 - Forecast by segment (YoY Change)

(Millions of yen)

| Segment | | FY3/19 forecast 1H forecast Amount | FY3/19 forecast 1H forecast YoY change | FY3/19 forecast 2H forecast Amount | FY3/19 forecast 2H forecast YoY change | FY3/19 forecast Full year forecast Amount | FY3/19 forecast Full year forecast YoY change | FY3/18 full year results Amount |
|---|---|---|---|---|---|---|---|---|
| Sales | Human Resources Services Business | 6,336 | 16.7% | 4,921 | 9.7% | 11,258 | 13.5% | 9,915 |
| | Recruiting Business | 1,633 | 4.0% | 2,068 | (2.6)% | 3,702 | 0.2% | 3,693 |
| | Information Publishing Business | 859 | 3.0% | 949 | 2.3% | 1,808 | 2.6% | 1,762 |
| | Other | 866 | 51.4% | 864 | 3.9% | 1,731 | 23.3% | 1,404 |
| | Total | 9,695 | 15.4% | 8,804 | 5.2% | 18,500 | 10.3% | 16,775 |
| Operating profit | Human Resources Services Business | 1,844 | 15.7% | 21 | (84.5)% | 1,866 | 7.6% | 1,735 |
| | Recruiting Business | 315 | (2.3)% | 516 | (7.4)% | 832 | (5.6)% | 881 |
| | Information Publishing Business | (4) | (80.3)% | 59 | 136.6% | 55 | 1,523.8% | 3 |
| | Other | 93 | (5.0)% | 74 | (25.9)% | 167 | (15.5)% | 198 |
| | Adjustment | (319) | - | (302) | - | (621) | - | (619) |
| | Total | 1,929 | 13.9% | 370 | (26.5)% | 2,300 | 4.6% | 2,198 |

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# 5 Overseas Network

## Overseas Subsidiaries and Services

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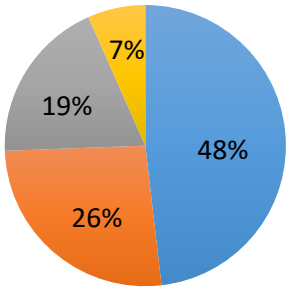
# 5 Reference Data 1
# Change in Composition of Segment Sales and Operating Profit

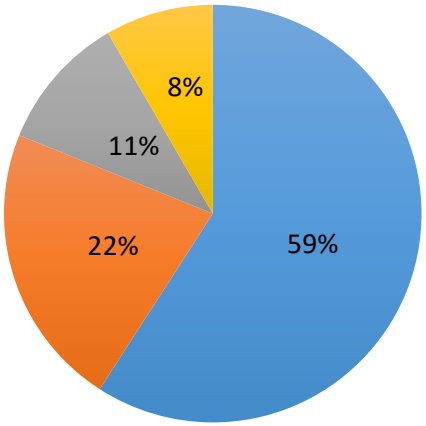
## Composition of net sales

FY3/13




Net sales
8,708 million yen

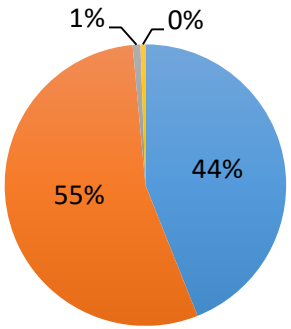
FY3/18




Net sales
16,775 million yen

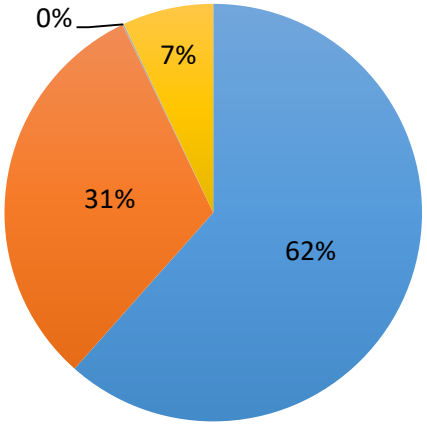
## Composition of operating profit*

FY3/13




Operating profit
1,047 million yen

FY3/18




Operating profit
2,818 million yen

**FY3/13**

| | Net sales | Operating profit(*) |
|---|---|---|
| Human Resources Services Business | 4,193 | 460 |
| Recruiting Business | 2,285 | 571 |
| Information Publishing Business | 1,651 | 9 |
| Other | 577 | 5 |
| Total | 8,708 | 1,047 |

**FY3/18**

| | Net sales | Operating profit(*) |
|---|---|---|
| Human Resources Services Business | 9,915 | 1,735 |
| Recruiting Business | 3,693 | 881 |
| Information Publishing Business | 1,762 | 3 |
| Other | 1,404 | 198 |
| Total | 16,775 | 2,818 |

* Operating profit is a simple aggregation of segment profits which do not include an amount for consolidation adjustment.

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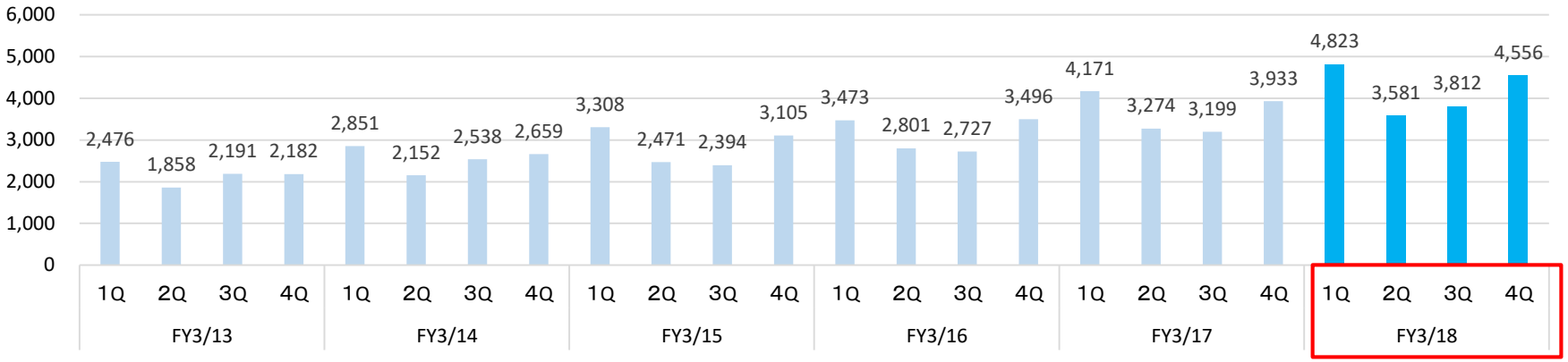
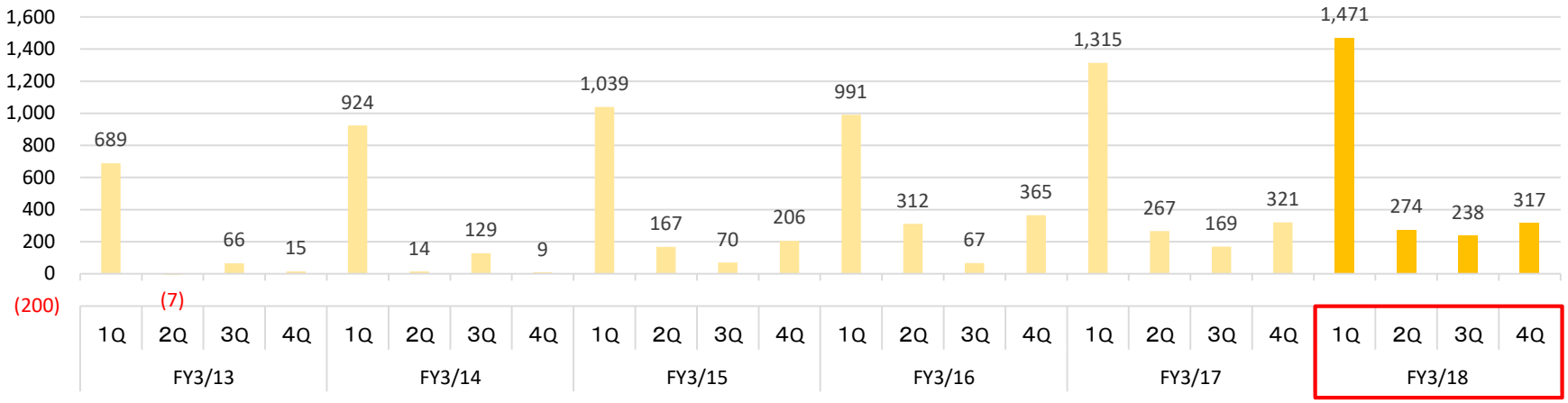
# 5 Reference Data 2 Quarterly Results

## Net sales (Quarterly)




## Ordinary profit (Quarterly)

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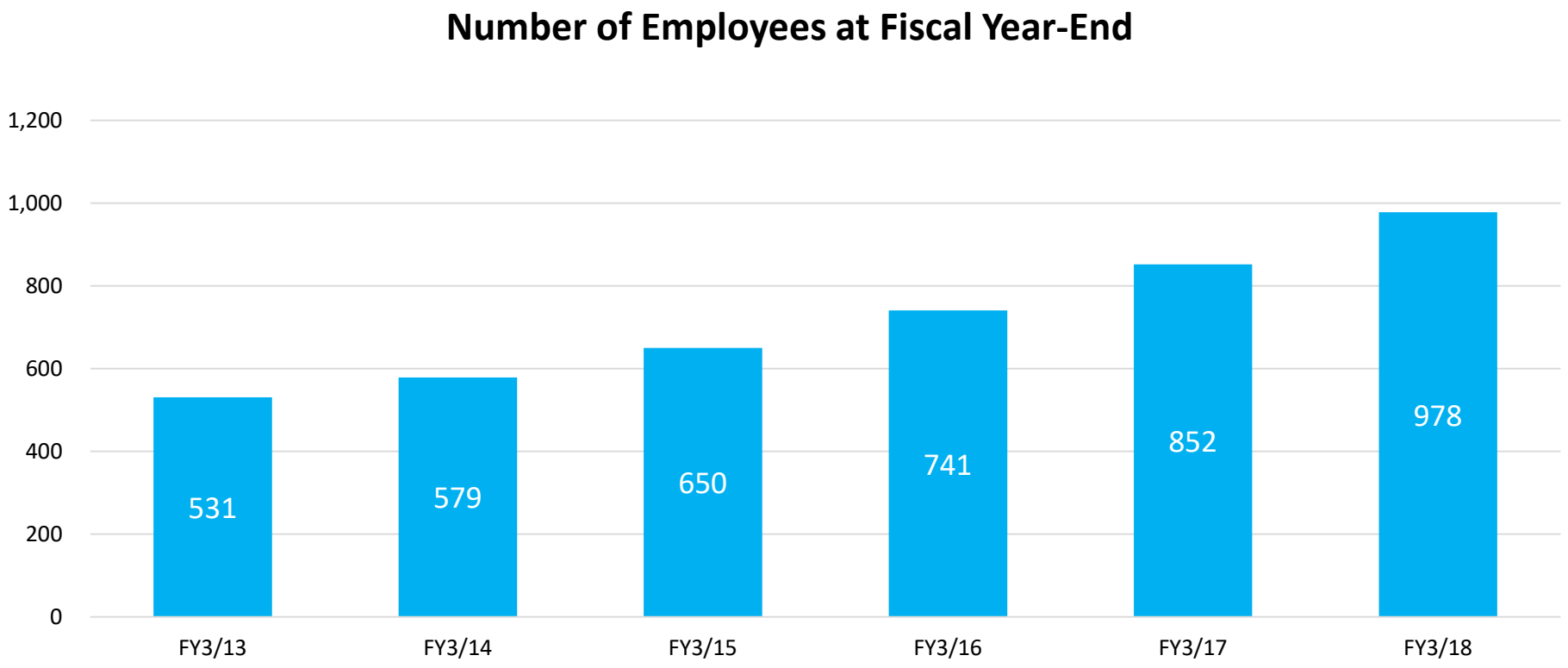
# Number of employees up by 126 YoY

Notes: Centre People (UK) was acquired in August 2017 has joined from the FY 18/3..




Notes:The number of employees is the “number of full-time employees + number of temporary employees (with social insurance)” at the end of fiscal year.

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Forecasts of results of operations in this presentation are based on information that was available when this presentation was prepared. These forecasts are vulnerable to uncertainties involving the economy, competition, the success or failure of new services, and other factors. Consequently, actual performance may differ significantly from the forecasts in this presentation.

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