

Results of Operations for the First Half of the Fiscal Year Ending March 31, 2019 (FY3/19)



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1 1H FY3/19 Consolidated Financial Summary

9th consecutive year of first-half sales and earnings growth

Both first-half sales and earnings rose to new record highs

Net sales

9,938 million yen
Up **18.2%** YoY
Up **2.5%** vs. plan

Operating
profit

2,017 million yen
Up **19.1%** YoY
Up **4.6%** vs. plan

Ordinary
profit

2,033 million yen
Up **16.5%** YoY
Up **4.2%** vs. plan

Profit
attributable to
owners of parent

1,383 million yen
Up **12.6%** YoY
Up **2.4%** vs. plan

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 increased in transportation, construction, manufacturing and a broad range of other industries.

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 increased investments in our workforce and took other actions to build a stronger foundation for business operations.

Human Resources Services Business remained strong

1. Human Resources Service Business

Net sales: **6,418** million yen

Operating profit: **1,877** million yen

2. Recruiting Business

Net sales: **1,744** million yen

Operating profit: **353** million yen

3. Information Publishing Business

Net sales: **921** million yen

Operating profit: **38** million yen

4. Other

Net sales: **854** million yen

Operating profit: **125** million yen

2 1H FY3/19 Consolidated Financial Results

2 Business Domains of the QUICK Group

■ Contributing to society through human resources and information businesses



2 1H FY3/19 Financial Results (YoY Change/Vs. Plan)

YoY Change/Vs. plan

(Millions of yen)

	1H FY3/19 results	1H FY3/18 results			1H FY3/19 plan		
		Results	YoY change (amount)	YoY change (%)	Plan	Vs. Plan (amount)	Vs. Plan (%)
Net sales	9,938	8,405	1,533	18.2%	9,695	242	2.5%
Gross profit	6,438	5,222	1,216	23.3%	6,127	311	5.1%
Selling, general and administrative expenses	4,421	3,527	893	25.3%	4,197	223	5.3%
Operating profit	2,017	1,694	323	19.1%	1,929	87	4.6%
Ordinary profit	2,033	1,745	288	16.5%	1,951	82	4.2%
Profit attributable to owners of parent	1,383	1,228	155	12.6%	1,351	31	2.4%

2 1H FY3/19 Segment Results (YoY Change/Vs. Plan)

YoY Change/Vs. plan

(Millions of yen)

Segment		1H FY3/19 results	1H FY3/18 results			1H FY3/19 plan		
			Results	YoY change (amount)	YoY change (%)	Plan	Vs. Plan (amount)	Vs. Plan (%)
Sales	Human Resources Services Business	6,418	5,428	989	18.2%	6,336	81	1.3%
	Recruiting Business	1,744	1,569	174	11.1%	1,633	110	6.8%
	Information Publishing Business	921	834	86	10.4%	859	61	7.2%
	Other	854	571	282	49.5%	866	(11)	(1.3)%
	Total	9,938	8,405	1,533	18.2%	9,695	242	2.5%
Operating profit	Human Resources Services Business	1,877	1,593	283	17.8%	1,844	32	1.8%
	Recruiting Business	353	322	30	9.4%	315	37	11.9%
	Information Publishing Business	38	(21)	60	-	(4)	42	-
	Other	125	98	26	27.3%	93	31	33.9%
	Adjustment	(376)	(298)	(78)	26.2%	(319)	(57)	17.9%
	Total	2,017	1,694	323	19.1%	1,929	87	4.6%

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

2 1H FY3/19 Segment Results (Human Resources Service Business)

Net sales: **6,418** million yen Operating profit: **1,877** million yen

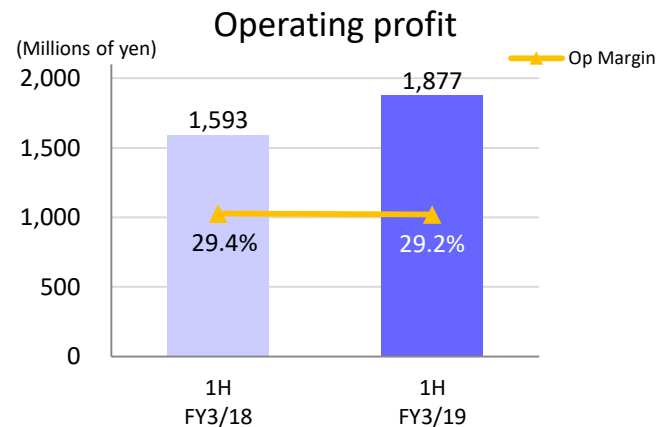
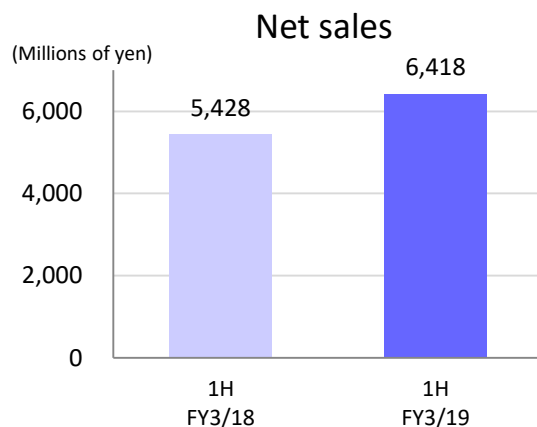
The business performance remained solid in the placements of nurses and professionals

■ Sales (Millions of yen)

- Personnel placement: 952 ↗
- Temporary staffing: 14 ↗
- Nursery school operations: 20 ↗

■ Operating expenses (Millions of yen)

- Personnel placement strengthened promotions: 108 ↗
- Higher temporary staffing sales resulted in an increase in labor cost: 15 ↗
- Higher nursery school personnel expenses: 20 ↗
- Higher personnel expenses due to larger workforce: 373 ↗



2 1H FY3/19 Segment Results (Recruiting Business)

Net sales: **1,744** million yen Operating profit: **353** million yen
Strong performance by recruiting advertising media and higher consulting sales

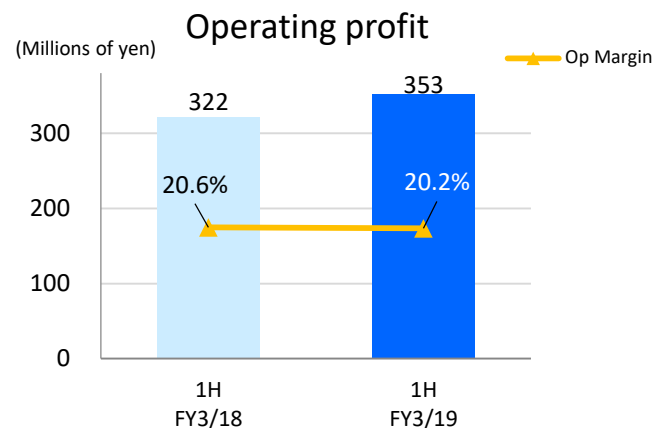
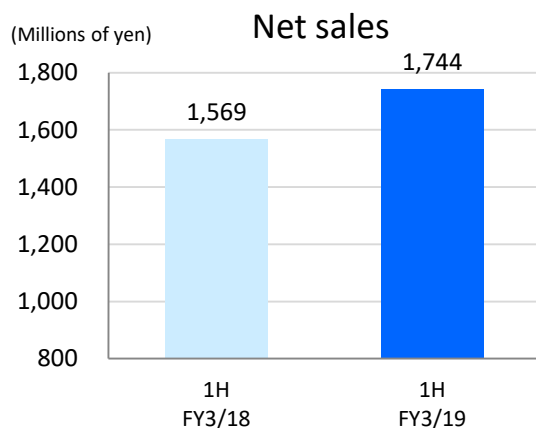
■ Sales (Millions of yen)

- Recruiting advertising: 93 ↗
- In-house planned products: 78* ↗

*Consulting operations for more effective recruiting advertisements.

■ Operating expenses (Millions of yen)

- Higher outsourcing expenses for advertisement production: 52 ↗
- Higher personnel expenses due to larger workforce: 83 ↗



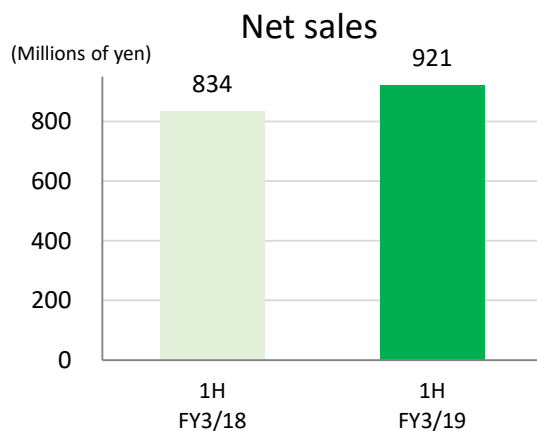
2 1H FY3/19 Segment Results (Information Publishing Business)

Net sales: **921** million yen Operating profit: **38** million yen

Posting service performed well and more growth of personnel placements in concierge services

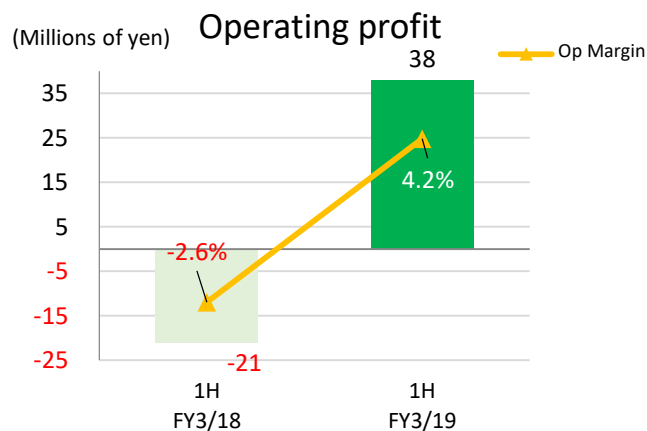
■ Sales (Millions of yen)

- Free paper: 16 ↗
 - * Higher sales from the first issue of the Takaoka Joho lifestyle information magazine: 20 (net increase)
- Other internal media: 7 ↗
- Posting service: 22 ↗
- Concierge service: 31 ↗



■ Operating expenses (Millions of yen)

- Shipment expenses, etc.: 9 ↗
 - * Higher expenses for the first issue of the Takaoka Joho and growth in posting service
- Higher personnel expenses due to larger workforce: 15 ↗



2 1H FY3/19 Segment Results (Other: Internet-Related Business and Overseas Business)

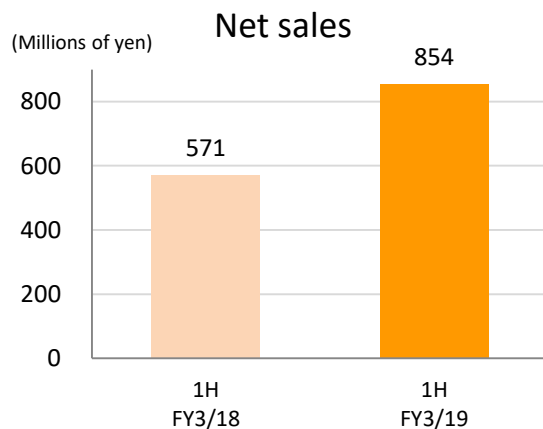
Net sales: 854 million yen **Operating profit: 125 million yen**

Nihon no Jinjibu (Japan's Human Resources Department) continued to perform well.
UK business operations contributed to earnings for the first time.

■ Sales (Millions of yen)

- Nihon no Jinjibu: 75 ↗
- Overseas Business: 226 ↗
(USA: 25, China: 15, UK: 184*, Vietnam: 14*)

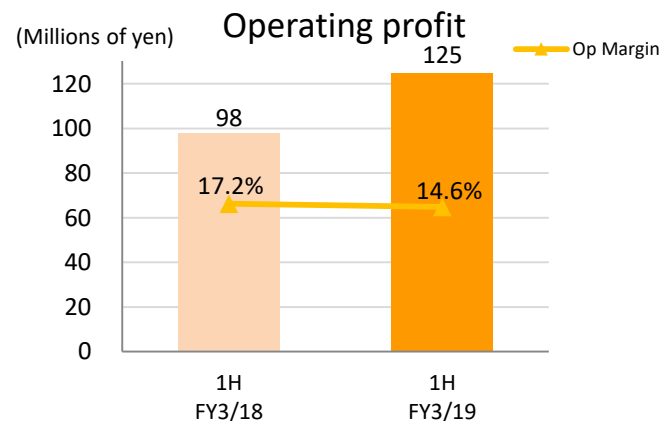
*Consolidated in FY3/19 (net increase)



■ Operating expenses (Millions of yen)

- Internet-Related Business (Advertising and other expenses) : (9) ↘
- Overseas Business : 256 ↗
(USA: 18, UK: 173*, Vietnam: 11*)

*Consolidated in FY3/19 (net increase)

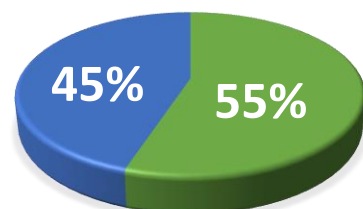


2 1H FY3/19 Segment Results

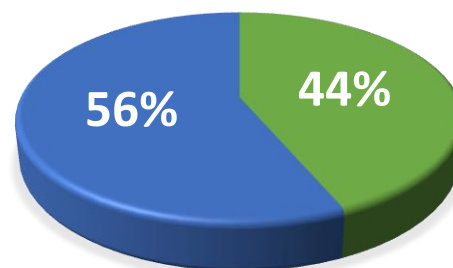
Other (Internet-Related Business, Overseas Business)

Other sales

■ Internet-Related ■ Overseas



1H FY3/18



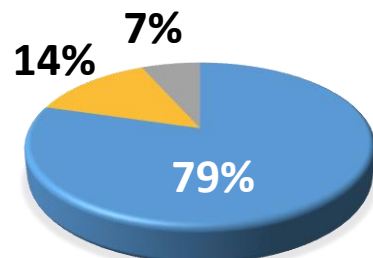
1H FY3/19

1H FY3/19

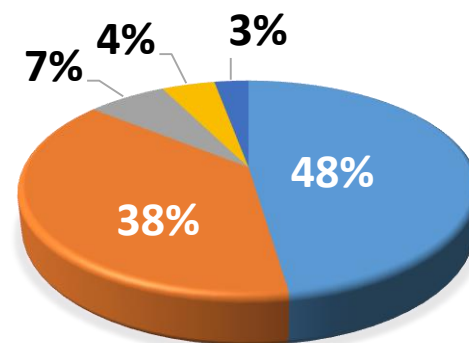
◆ Internet-Related Business (millions of yen)	
Net sales:	372
Operating profit:	115
◆ Overseas Business (millions of yen)	
Net sales:	482
Operating profit:	9

Overseas business sales composition

■ USA ■ UK ■ Shanghai ■ Mexico ■ Vietnam



1H FY3/18



1H FY3/19

1H FY3/19

◆ Overseas Business Sales (millions of yen)	
USA:	229
UK:	184
Shanghai:	32
Mexico:	21
Vietnam:	13

3 FY3/19 Consolidated Earnings Forecast

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■ Goal is the ninth consecutive year of sales and earnings growth.

*No change in the FY3/19 forecast due to the economic outlook and upcoming investments.

FY3/19 Earnings/dividends forecasts (YoY change/Vs. initial plan)

(Millions of yen)

	FY3/19					
	1H results	2H forecast			Full year forecast	
	Amount	Amount	YoY change	Vs. initial plan	Amount	YoY change
Net sales	9,938	8,561	2.3%	(2.8)%	18,500	10.3%
Gross profit	6,438	4,731	4.5%	2.4%	11,170	14.6%
Selling, general and administrative expenses	4,421	4,448	10.6%	4.6%	8,870	17.5%
Operating profit	2,017	282	(44.0)%	(23.8)%	2,300	4.6%
Ordinary profit	2,033	496	(10.6)%	(14.2)%	2,530	10.0%
Profit attributable to owners of parent	1,383	369	(7.3)%	(8.0)%	1,753	7.8%
Dividend per share (yen)	19.0	19.0	1.0 yen	0 yen	38.0	3.0 yen

Net sales: 11,265 million yen **Operating profit: 1,820 million yen**

More highly effective marketing activities and more specialist job categories in personnel placement

■ Outlook for FY3/19

	1H results	2H forecast	YoY change	Vs. initial plan	Full-year forecast
Net sales	6,418	4,846	8.0%	(1.5)%	11,265
Operating profit	1,877	(56)	-	-	1,820

Note: 2H FY3/18 operating profit was 141 million yen.

■ Second half outlook for expenses (millions of yen)

YoY change

- Personnel placement: 313 ↗
- Temporary staffing: 35 ↗
- Nursery school operations: 12 ↗
- Recruiting adverting expenses: 141 ↗
- Personnel expenses: 254 ↗

Vs. initial plan

- Personnel placement: 103 ↗
- Temporary staffing: (154) ↘
- Nursery school: (25) ↘
- Recruiting adverting expenses: (17) ↘
- Personnel expenses: 94 ↗

3 FY3/19 Business Segment Forecasts (Recruiting Business)

Net sales: 3,632 million yen **Operating profit: 856 million yen**
 Produce media for recruiting university students graduating in 2019 and strengthen sales activities for consulting

■ Outlook for FY3/19

	1H results	2H forecast	YoY change	Vs. initial plan	Full-year forecast
Net sales	1,744	1,888	(11.1)%	(8.7)%	3,632
Operating profit	353	502	(10.0)%	(2.7)%	856

■ Second half outlook for expenses (millions of yen)

YoY change

- Recruiting advertising sales : (239)* ↘
- Recruit Co., Ltd. incentives: (31)
- In-house products: 55 ↗
- Cost of advertisements: (235)* ↘

*Some media will be reclassified as outsourced products starting in December

- Cost of in-house products: 47

Vs. initial plan

- Recruiting advertising sales: (191)* ↘
- In-house products: 16 ↗
- Cost of advertisements: (148)* ↘

*Some media will be reclassified as outsourced products starting in December

Net sales: **1,869** million yen Operating profit: **114** million yen

Reinforce regional media and the posting service and expand “real” services

■ Outlook for FY3/19

	1H results	2H forecast	YoY change	Vs. initial plan	Full-year forecast
Net sales	921	948	2.3%	(0.1)%	1,869
Operating profit	38	76	202.3%	27.8%	114

■ Second half outlook for expenses (millions of yen)

YoY change

- Lifestyle information magazines: 10 ↗
- Posting service: 16 ↗
- Concierge service: 39 ↗
- Outsourcing expenses: (25) ↘

Vs. initial plan

- Paper publications: (23) ↘
- Concierge service: 17 ↗
- Outsourcing expenses: (19) ↘
- Posting distribution expenses: (3) ↘

Net sales: **1,732** million yen Operating profit: **228** million yen

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

■ Outlook for FY3/19

	1H results	2H forecast	YoY change	Vs. initial plan	Full-year forecast
Net sales	854	877	5.5%	1.5%	1,732
Operating profit	125	103	3.6%	39.8%	228

■ Second half outlook for expenses (millions of yen)

YoY change

- Internet-Related Business (Nihon no Jinjibu): 5 ↗
- Overseas Business: 78 ↗
- Personnel expenses (Internet-Related Business): 8 ↗
- Personnel expenses (Overseas Business): 43 ↗

Vs. initial plan

- Internet-Related Business (Nihon no Jinjibu): 20 ↗
- Cost of sales for Overseas Business: (13) ↘
- Personnel expenses for Overseas Business: (6) ↘

3 FY3/19 Dividends Forecast

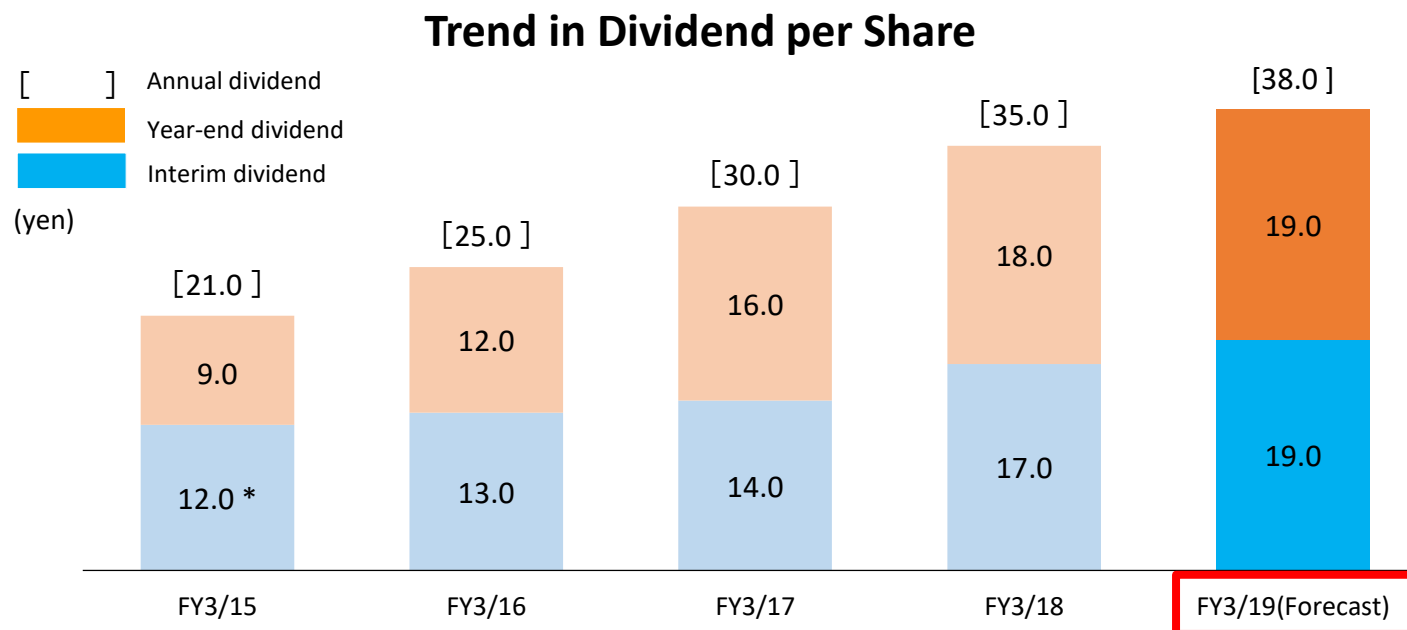
Payout ratio

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 (up 3 yen YoY)



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.

4 Medium-term Management Plan

4 Medium-term Management Plan

- No change in plan for FY3/19 earnings except the increase in gross profit.
- No changes in the plans for sales and earnings in FY3/20 and FY3/21.

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

(Millions of yen)

	FY3/18 results	FY3/19 Forecast	YoY change	FY3/20 Forecast	YoY change	FY3/21 Forecast	YoY change
Net sales	16,775	18,500	10.3%	21,000	13.5%	23,850	13.6%
Gross profit	9,748	11,170	14.6%	12,320	10.3%	14,080	14.3%
Selling, general and administrative expenses	7,549	8,870	17.5%	9,500	7.1%	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%	60.4%	2.3pt	58.7%	(1.7)pt	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.

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

■ FY3/19 business segments differ from segments in the initial plan.

*There are no changes in total sales and total operating profit.

■ No changes in the plans for sales and earnings in FY3/20 and FY3/21.

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

(Millions of yen)

Segment		FY3/18 results	FY3/19		FY3/20		FY3/21	
			Plan	YoY change	Plan	YoY change	Plan	YoY change
Sales	Human Resources Services Business	9,915	11,265	13.6%	13,171	16.9%	15,314	16.3%
	Recruiting Business	3,693	3,632	(1.6)%	3,923	8.0%	4,056	3.4%
	Information Publishing Business	1,762	1,869	6.1%	1,913	2.3%	2,080	8.7%
	Other	1,404	1,732	23.4%	1,991	14.9%	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	1,820	4.9%	2,234	22.7%	2,540	13.7%
	Recruiting Business	881	856	(2.9)%	860	0.5%	901	4.8%
	Information Publishing Business	3	114	3,268.1%	107	(6.0)%	187	74.3%
	Other	198	228	15.4%	243	6.4%	426	75.3%
	Adjustment	(619)	(720)	16.3%	(625)	(13.1)%	(626)	(0.1)%
	Total	2,198	2,300	4.6%	2,820	22.6%	3,430	21.6%

5 Supplementary Materials

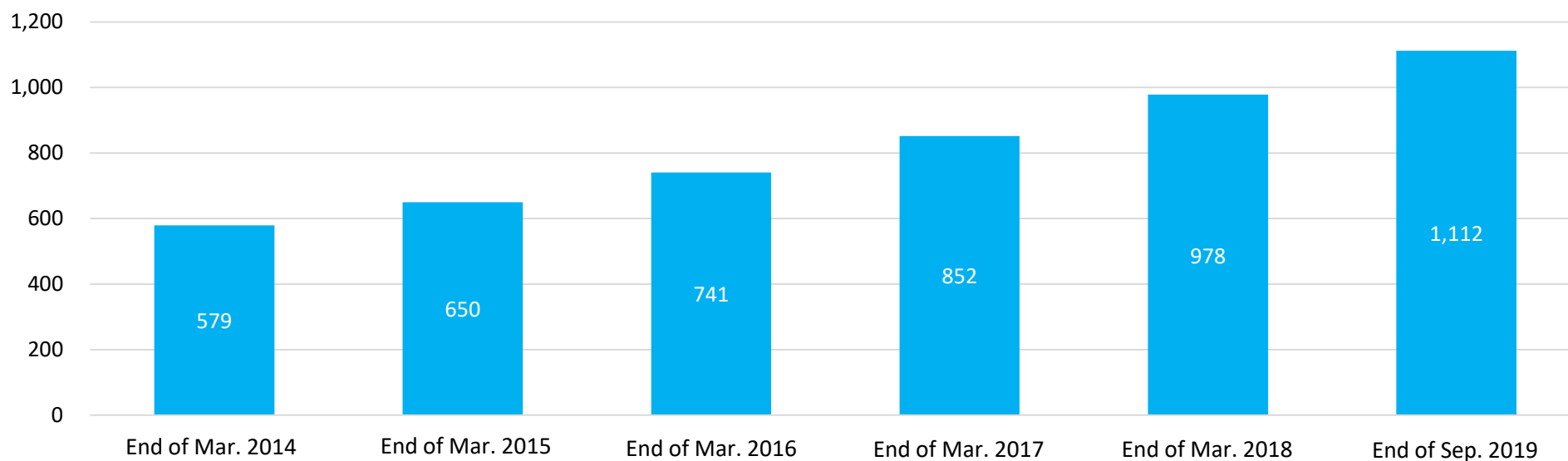
5 Overseas Network

Overseas Subsidiaries and Services



Number of employees up by 134 from the end of March 2018

Number of employees (All group companies)



Note: The number of employees is the “number of full-time employees + number of temporary employees (with social insurance)” at the end of each period.



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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