QUICK CO.,LTD.

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2019

[Japanese GAAP]

April 26, 2019

Company name: QUICK CO., LTD. Listing: First Section, Tokyo Stock Exchange
Stock code: 4318 URL: https://919.jp/
Representative: Tsutomu Wano, President
Contact: Yasuhiko Hirata, Director, Executive Officer,
General Manager of Administration and Accounting Division
Tel: +81-6-6366-0919

Scheduled date of Annual General Meeting of Shareholders: June 20, 2019
Scheduled date of filing of Annual Securities Report: June 20, 2019
Scheduled date of payment of dividend: June 21, 2019
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, 2019 (April 1, 2018 – March 31, 2019)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Mar. 31, 2019	19,173	14.3	2,581	17.4	2,818	22.5	1,966	20.8
Fiscal year ended Mar. 31, 2018	16,775	15.1	2,198	10.0	2,300	10.9	1,627	17.0

Note: Comprehensive income (millions of yen) Fiscal year ended Mar. 31, 2019: 2,025 (up 12.4%)
Fiscal year ended Mar. 31, 2018: 1,802 (up 14.4%)

	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, 2019	104.40	-	25.7	24.5	13.5
Fiscal year ended Mar. 31, 2018	86.62	-	25.5	23.5	13.1

Reference: Equity in earnings of affiliates (millions of yen): Fiscal year ended Mar. 31, 2019: - Fiscal year ended Mar. 31, 2018: -

(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, 2019	12,592	8,358	66.4	443.19
As of Mar. 31, 2018	10,451	6,977	66.6	370.72

Reference: Shareholders’ equity (millions of yen) As of Mar. 31, 2019: 8,357 As of Mar. 31, 2018: 6,964

(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, 2019	2,354	(332)	(746)	6,334
Fiscal year ended Mar. 31, 2018	1,432	(490)	(634)	5,014

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	Millions of yen	%	%
Fiscal year ended Mar. 31, 2018	-	17.00	-	18.00	35.00	657	40.4	10.3
Fiscal year ended Mar. 31, 2019	-	19.00	-	23.00	42.00	792	40.2	10.3
Fiscal year ending Mar. 31, 2020 (forecasts)	-	22.00	-	22.00	44.00		41.6	

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2020 (April 1, 2019 – March 31, 2020)

(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	10,800	8.7	2,221	10.1	2,237	10.0	1,498	8.3	79.48
Full year	20,940	9.2	2,920	13.1	2,950	4.7	1,995	1.5	105.84

*** 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: None

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, 2019:	19,098,576 shares	As of Mar. 31, 2018:	19,098,576 shares

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

As of Mar. 31, 2019:	241,173 shares	As of Mar. 31, 2018:	311,127 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2019:	18,834,400 shares	Fiscal year ended Mar. 31, 2018:	18,787,518 shares

Reference: Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 1, 2018 – March 31, 2019)

(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, 2019	12,599	14.7	1,955	8.5	2,253	8.4	1,634	5.4
Fiscal year ended Mar. 31, 2018	10,989	11.8	1,802	15.2	2,077	15.4	1,549	23.4

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2019	86.77	-
Fiscal year ended Mar. 31, 2018	82.50	-

(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, 2019	10,424	7,524	72.2	399.00
As of Mar. 31, 2018	8,951	6,391	71.4	340.22

Reference: Shareholders' equity (millions of yen): As of Mar. 31, 2019: 7,524 As of Mar. 31, 2018: 6,391

* The current financial report is not subject to audits by certified public accountants or accounting firms.

* 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 (4) Outlook."

1. Overview of Results of Operations

(1) Results of Operations

During the fiscal year ended March 31, 2019 (“the fiscal year under review”), the Japanese economy continued recovering at a moderate pace, backed by a pick-up in consumer spending as well as export and production activities driven by improvement in corporate earnings, employment and personal income. However, a series of natural disasters including the torrential rains that hit western Japan and some earthquakes partially caused the economic recovery to stall at one point. Despite a modest pick-up of production activities as disaster impacts have gradually been alleviated since last fall, the economic outlook remains unclear due to a range of factors such as a hike in labor cost caused by the tightened labor market at home and concerns abroad over the trade conflict between the U.S. and China, the management of the U.S. administration, Brexit-related issues, and uncertainties in overseas economies represented by the slowdown of the European and Chinese economies.

In Japan’s labor market, a shortage of workers is becoming more severe in a wide range of sectors as demonstrated by the fact that the number of business failures due to factors related to labor shortage reached a record high. In February 2019, all the employment-related indicators reflected Japan’s labor shortage. Among others, the seasonally adjusted job openings-to-applicants ratio was 1.63, the seasonally adjusted job openings-to-applicants ratio for full-time employees was 1.15, and the seasonally adjusted unemployment rate was 2.3%.

Given this business environment, the QUICK Group reinforced existing services, expanded operations in new strategic market sectors and developed new services. All activities are aimed at differentiating the QUICK Group from competitors and increasing customer satisfaction by helping solve recruiting and other labor-related problems at client companies. Furthermore, the Group has been building a stronger foundation for business operations by aggressively recruiting people with outstanding skills and making other investments in human resources.

As a result, both sales and earnings were higher for the ninth consecutive year, reaching all-time highs. Net sales increased 14.3% year-on-year to 19,173 million yen, operating profit increased 17.4% year-on-year to 2,581 million yen, ordinary profit increased 22.5% year-on-year to 2,818 million yen, and profit attributable to owners of parent increased 20.8% year-on-year to 1,966 million yen.

It is noted that the growth of earnings for the fiscal year under review is partially contributed to by subsidy income of 198 million yen recognized as non-operating income, which was granted to subsidize the construction costs of Koguma no Mori Minoh Nursey School opened in October 2018 by WORK PROJECT, Inc., one of our consolidated subsidiaries.

Performance of the business segments (consisting of reportable segments and other businesses) is described as follows.

(Human Resources Services Business)

1) Personnel Placement

The personnel placement category continued enjoying strong recruiting demand for employees in the construction, civil engineering, manufacturing and other business sectors, as well as that for nurses at hospitals, nursing care facilities and other health care facilities. As a result, the category steadily expanded its net sales for both in the placements of nurses and professionals and technical staff to the companies. However, our competitive environment has become ever more severe in response to the competition against other companies for obtaining job applicants and emergence of job search engine as a new recruiting service offering to cater for diversifying recruiting methods. Under this situation, the Group focused on distinguishing itself from other competitors, enhancing the brand awareness, and improving registrants’ satisfaction. For that in mind, we conducted more effective promotional activities and website management, expanded our range of services, and provided better support for the registrants.

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

In the temporary staffing, temporary-to-permanent staffing, and business contracting category, strong demand continued for the temporary placement of workers in the medical and welfare sectors and of childcare workers. Because of the labor shortage associated with a declining unemployment rate in Japan, many companies are still having a great difficulty hiring personnel who can work full-time as a regular employee, temporary staff, or those working in any other form of employment. Therefore, the operating results for our part-time staff placement remained strong, mainly for the IT and internet sectors as well as for clerical jobs.

Overall, the segment sales increased 16.0% year-on-year to 11,499 million yen and operating profit increased 14.3% year-on-year to 1,984 million yen.

(Recruiting Business)

In the Recruiting Business segment, the volume of recruiting advertisements for registered temporary staff in the mid-year hiring category continued to be strong against the backdrop of the persistent severity of the labor shortage in a wide range of sectors in Japan. The volume of recruiting advertisements for hiring full-time employees and part-time workers also remained firm.

In the new college graduate category, the operating results remained steady. A continued student-dominant seller's market caused the volume of business to expand, mainly for recruiting advertisements targeting college students expected to graduate in March 2020 and services involving joint information meetings, exhibits and other recruiting events, for both of which we started marketing from March 2019.

Furthermore, the category also enjoyed a solid performance for consulting services to help enhance the effectiveness of the clients' websites and advertisements for recruitment, outsourcing of HR functions for undertaking part of recruiting operations, training, suitability examination and other services.

Overall, the segment sales increased 7.2% year-on-year to 3,960 million yen and operating profit increased 13.8% year-on-year to 1,003 million yen.

(Information Publishing Business)

In the Information Publishing Business, we continued achieving solid performance for life-style magazines. Specifically, the "Enlarged Spring Edition" issued in March of "Kanazawa Joho," a free-paper distributed mainly in Kanazawa City, recorded the highest ever sales for a single issue, and "Takaoka Joho," a magazine newly published during the fiscal year under review, also contributed to an increase in net sales. Furthermore, "Iezukuri Navi," a housing information magazine in Hokuriku, remained solid by meeting the clients' promotional needs for capturing the last-minute demand before the scheduled increase in the consumption tax rate. "Kekkon SANKA," a wedding information magazine in Hokuriku, pursued to establish a new revenue model by starting a fee-charging web media in addition to the existing paper media. Meanwhile, in the services other than media, sales from posting services including flyers inserted in newspapers increased steadily as a result of entry into Takaoka area and price revision. Moreover, the concierge services we operate under the "Cococolor" brand significantly expanded in all the service lines of house designing, wedding, and particularly, career change.

Overall, the segment sales increased 12.4% year-on-year to 1,980 million yen and operating profit increased 52.4 times over the previous fiscal year to 178 million yen.

(Other businesses)

1) Internet-Related Business

Against the backdrop of labor shortage in the corporate sector due to improved employment situation, emergence of a range of personnel and labor related services leveraging HR Tech, and the enforcement of the Act on the Arrangement of Related Acts to Promote Work Style Reform ("Laws Related to Work Style Reform") in April this year and other factors, the Internet-Related Business category saw an increasing interest in HR solution businesses that support corporate clients' personnel strategies for recruiting, nurturing and retaining employees and enriching employee welfare, thereby improving productivity. As a result, demand continued to be strong for promotional activities by human resources service companies, leading to a steady increase in advertising revenues at “Nihon no Jinjibu” (Japan’s Human Resources Department), an information portal site for human resources and labor relations.

2) Overseas Businesses

In the Overseas Business, QUICK USA, Inc. continued to be faced with a seller’s market for job seekers given the situation where the strong willingness of the U.S. domestic companies to hire people caused the unemployment rate to decline constantly and the tightened labor visa acquisition for foreigners further intensified competition among Japanese companies to hire Japanese-English bilingual staff. Under these circumstances, the company successfully increased its business performance in personnel placement as it focused on providing services finely tuned to cater for both recruitment companies and job seekers and improving contract terms and conditions.

Shanghai QUICK CO., LTD. was successful in discovering the finest details of clients’ needs for acquiring competent talent and fostering existing employees given the Chinese market situation characterized by a less willingness to hire people due to the weakening business confidence and uncertainty over its future caused by the trade conflict between the U.S. and China, and a high turnover rate that more than offset such a negative factor. Because of the market characteristic where worker’s rights are strong, demands for amendment of HR related rules and systems have been increasing to address and avoid labor problems. As a result, the category substantially increased its business performance of recruitment consulting services as well as personnel and labor consulting services.

QUICK GLOBAL MEXICO, S.A. DE C.V. continued enjoying strong demand from locally operated Japanese companies for interpreters and salespeople. In addition, the company stepped up its efforts to attract new registration of job seekers by holding job change seminars that targeted individuals who are bilingual in Japanese and Spanish, leading to an increase in the number of registrants. As a result, the personnel placement category enjoyed a solid performance.

Under uncertainty over the outlook of the Brexit-related issues, Centre People Appointments Ltd. continued expanding the personnel placement and temporary staffing businesses by securing recruiting demand from local Japanese companies, encouraging more people to get registered through its registration website, and consistently strengthening the sales structure.

QUICK VIETNAM CO., LTD. also showed an excellent performance of recruitment support services for local Japanese companies, notably in the construction, apparel and IT industries.

Moreover, QUICK GLOBAL CO., LTD. provided support services to expand our foreign operations including support for the overseas subsidiaries and affiliates to acquire new registrants and provision of trainings before being assigned abroad.

Overall, sales of other businesses increased 23.4% year-on-year to 1,732 million yen and operating profit increased 10.8% year-on-year to 219 million yen.

(2) Financial Position

Assets

Total assets at the end of the fiscal year under review increased 20.5%, or 2,141 million yen, year-on-year to 12,592 million yen. This was mainly the result of increases in cash and deposits, and buildings and structures.

Liabilities

Total liabilities at the end of the fiscal year under review increased 21.9%, or 759 million yen, year-on-year to 4,233 million yen. This was mainly the result of increases in income taxes payable and accounts payable-other despite a decrease in accounts payable-trade.

Net assets

Total net assets at the end of the fiscal year under review increased 19.8%, or 1,381 million yen, year-on-year to 8,358 million yen. This was mainly the result of an increase in retained earnings due to the booking of profit attributable to owners of parent. The shareholders' equity ratio decreased 0.2 percentage points from the end of the previous fiscal year to 66.4%.

Effective from the beginning of the fiscal year under review, the Company applied the Partial Amendments to Accounting Standard for Tax Effect Accounting (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018) and other related pronouncements. Accordingly, the financial position is compared against the values at the end of the previous fiscal year after applying retrospective treatment.

(3) Cash Flows

Cash and cash equivalents (hereinafter "net cash") increased 1,319 million yen from the end of the previous fiscal year to 6,334 million yen at the end of the fiscal year under review. 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 64.3% year-on-year to 2,354 million yen. Negative factors include income taxes paid of 621 million yen and an increase of 115 million yen in leasehold deposits. Positive factors include profit before income taxes of 2,815 million yen.

Cash flows from investing activities

Net cash used in investing activities decreased 32.3% year-on-year to 332 million yen. Negative factors include purchase of non-current assets of 326 million yen.

Cash flows from financing activities

Net cash used in financing activities increased 17.7% year-on-year to 746 million yen. Negative factors include cash dividends paid of 695 million yen.

(4) Outlook

The Japanese economy continues to recover slowly with the support of healthy corporate earnings and improved employment and income environment. However, we need to be cautious about the future of the Japanese economy, given the possible impacts of uncertainty over overseas economies such as economic slowdown in the European Union and China, the trade conflict between the U.S. and China, and the Brexit-related issues from the European Union, in addition to the consumption tax increase to be effective as of October 2019 at home.

Whereas the Japanese government is pursuing initiatives to raise productivity by using IT and ensure a sufficient supply of workers by hiring female and elder workers, labor shortage is a prevalent issue in various industries and the work-style reform related laws enforced in April 2019 set the limit on the overtime hours, therefore we do not anticipate that there will be a significant progress in solving Japan's labor shortage.

In the Human Resources Services Business, we will strengthen operations in the existing domains of personnel placement market and cultivate the new category of job placements for specialists. As we foresee intensified competition for registrants with such emerging competitors as search engines that offer new personnel placement services, in addition to existing competitors, we aim to increase the number of registrants for personnel placements by enriching contents on the websites we operate and services for our registrants in each business domain, increasing other promotional activities, and enhancing brand power of each website. At the same time, we will focus on developing the skills of newly hired employees and strengthening our organization by actively hiring competent employees and providing an extensive training program.

In the temporary staffing, temporary-to-permanent staffing and business contracting category, Japan’s improved employment situation has created a growing tendency to look for a full-time employee status. As a result, companies find it still difficult to acquire new registrants who wish to work full-time as a temporary staff. As we expect that even more Japanese companies will proactively hire part-time staff, we will leverage the dedicated website named “Haken de Part” to attract registrants for part-time staff and step up our sales efforts including inside sales. In the medical and welfare sectors we plan to hoist our sales efforts in home nursing and health care fields by revising the dedicated website named “Medicare Career.” In the childcare temporary staffing domain, we will expand the content of the dedicated website named “Hoitomo Osaka” for placement of childcare professionals to attract registrants, raise the awareness of this website brand and boost our sales efforts aimed at enhancing productivity.

In the Recruiting Business, we will strive to elevate our productivity by implementing position-specific trainings and strengthening our sales and advertising work structure. We also aim to further enhance customer development through stepping up sales activities as the whole organization by enriching the contents of our own promotional website named “Saiyo Salon” and boosting the inside sales. Further, in response to recruiting challenges our client companies are facing, we will pursue client companies’ success in recruiting activities and their satisfaction through strengthened consulting sales activities with high added value by providing multi-perspective, one-stop services ranging from proposing on recruitment method and process to addressing follow-up issues after hiring new employees.

In the Information Publishing Business, we will cultivate a new customer base for lifestyle information magazines and consequently increase the volume and variety of information of our media, which will make our publishing and websites more appealing for users. We will also extend our services for subscribers to attract increasing number of supporters, thus securing the leading position in local media. In the housing and bridal domain, we will meet the promotion needs of our clients both in the paper publications and web services. In the posting business, we will augment operating performance by expanding services and developing customers in each area including Takaoka. In concierge (face-to-face consultation) services, we aim to develop customers in the existing fields of the career change domain, as well as new business sectors and jobs. In the housing and bridal domain, we will strengthen the ability to attract customers and enhance the quality of services.

In the Internet-Related Business, we aim to achieve a further penetration of “Nihon no Jinjibu” brand and a growth of the target membership by boosting promotion and renewing the pages on our core “Nihon no Jinjibu” website. Furthermore, we will devise the contents of the “Nihon no Jinjibu” website for the members to be able to actively disseminate information on the website; our aim is to augment the number of active users by offering them opportunities for sharing information and exchanging personnel among the members in order to assist client companies with activities to promote sales of their products and services and attract more customers.

In the Overseas Business, we will continue to further strengthen personnel placement and temporary staffing and personnel and labor consulting in each country. We aim to establish ourselves as a partner that helps resolve human resources issues at client companies and to reinforce our earnings base. We also focus on the Cross Border Recruitment services, career change support services for those who seek a job internationally.

As a result, we expect consolidated net sales of 20,940 million yen (up 9.2% year-on-year), operating profit of 2,920 million yen (up 13.1%), ordinary profit of 2,950 million yen (up 4.7%), and profit attributable to owners of parent of 1,995 million yen (up 1.5%) for the fiscal year ending March 31, 2020.

Consolidated financial results for the fiscal year under review include subsidy income of 198 million yen as non-operating income, which was granted for WORK PROJECT, Inc.’s opening a certified nursery school at Minoh City in Osaka prefecture. As we do not foresee any extraordinary item of this sort in the fiscal year ending March 31, 2020, the outlook of consolidated earnings forecast for the fiscal year ending March 31, 2020 shows a relatively low growth rate in ordinary profit and profit attributable to owners of parent compared to the growth rate in operating profit.

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

The Company positions the return of profits to shareholders as a priority management issue and endeavors to achieve 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 plan to pay a fiscal year-end dividend of 23 yen per share. Accordingly, we forecast an annual dividend of 42 yen per share, consisting of a dividend of 19 yen at the end of the second quarter and 23 yen at fiscal year-end.

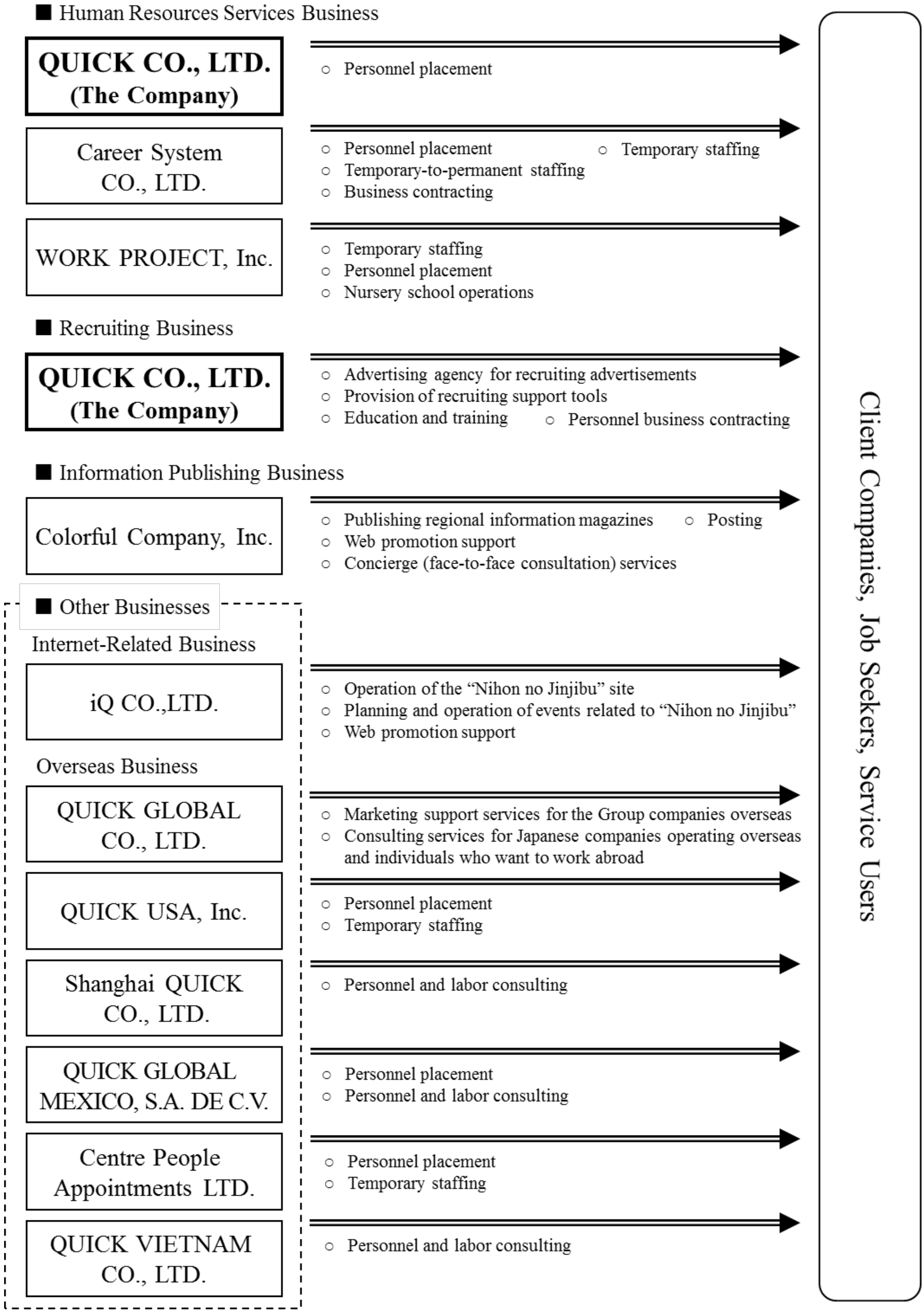
For the fiscal year ending March 31, 2020, we forecast an annual dividend of 44 yen per share, consisting of a dividend of 22 yen each at the end of the second quarter and fiscal year-end.

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) and 10 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.



Note: All of the above 10 affiliated companies are consolidated subsidiaries.

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, business contracting and nursery school operation (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 of regional information magazines, web promotion support, posting 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 web promotion support (Internet-Related Business); and personnel placement business, temporary staffing and personnel and labor consulting primarily in the United States, China, Mexico, the United Kingdom and Vietnam (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 core Human Resources Services Business. We also aim to achieve the medium- to long-term growth of the Recruiting Business, Information Publishing Business and Internet-Related Business, as well as to make the Overseas Business profitable.

In each business, we will engage in cultivation of new service domains and development of new products, services and business models. 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 cultivate the market for international career change supports (Cross Border Recruitment services) and 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 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 facing an increasingly severe 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 recruiting and other HR issues of companies in Japan and other countries.

Furthermore, we will aggressively hire outstanding people who are capable of promoting these goals and focus more on education and training programs for our workforce, thereby enabling the QUICK Group to grow even faster.

The issues in individual business segments are outlined below.

(Human Resources Services Business)

In the personnel placement business, human resources companies are competing ever more intensely in order primarily to attract registrants for specialized jobs in the construction and civil engineering, pharmaceutical, manufacturing and other business sectors and also for nursing jobs in the health care and other facilities. To succeed, we are renewing our website with more contents available online 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 as an organization, this business will aggressively recruit talented people and strengthen personnel development.

In the temporary staffing, temporary-to-permanent staffing, business contracting and other businesses, we can expect a continued solid demand for temporary staffing workers because of Japan's falling unemployment rate and the overtime cap imposed by Laws Related to Work Style Reform enforced in April this year. While we can also expect a strong demand for human resources from the medical and welfare sector, there is a growing tendency for job seekers to be hired as a full-time employee or under a direct employment contract. Therefore, our challenge here is to acquire new registrants who wish to work as temporary staff. In order to attract more people to register for temporary staffing placements, we will strive to strengthen promotional activities on and add more contents to our Group's websites consisting of "Haken de Part" targeting temporary part-time workers, "Medicare Career" targeting temporary workers in the medical and welfare sectors, and "Hoitomo Osaka" targeting temporary childcare workers so that each website can draw more people to it with enhanced brand power.

(Recruiting Business)

In the Recruiting Business, demand for recruiting services at client companies remains very strong, but it is expected going forward that Japan's labor shortage will hinder companies more from hiring workers they need. Under such circumstances, the competitive environment of the recruiting business is being intensified by the prevalence of hiring methods other than conventional recruiting ads such as job search type recruiting ads and contingent fee based services as well as by competition among peer recruiting media. To address this situation, we will pursue to strengthen consulting-based sales approach in which we propose multi-perspective, one-stop services to assist client companies in order for them to succeed in their recruiting activities, thereby enhancing their satisfaction. The approach includes proposing not only on recruiting advertisement but also on tools to enhance hiring capabilities, helping them produce recruiting tools such as recruiting websites and design a recruiting process. We will also strive to cultivate new customers by creating more connections with potential customers through seminars and the website named "Saiyo Salon," which introduces our line of services and successful recruiting cases.

(Information Publishing Business)

The Information Publishing Business is seeing a further diversification of advertising techniques represented by the recent development of website advertisement using SNS and other methods. In response to the change, we will strive to enhance the brand power and usage value of each of our media by cultivating new market segments and expanding our reader and fan bases in our major media. At the same time, we deal with diversified needs of client companies and users by launching new web-based services and strengthening posting services and concierge (face-to-face consultation) services.

(Other Businesses)

1) Internet-Related Business

We expect continued growth going forward in the need for promotional activities at human resources service companies against the backdrop of the enforcement of Laws Related to Work Style Reform, labor shortage and prevalence of HR Tech. We should expect that “Nihon no Jinjibu”—our main business platform to face more intensified competition with other competing websites. As a countermeasure to that, we will aim to improve the usage rate of the “Nihon no Jinjibu” website through expanding the target market with more appeals to non-HR professionals and enriching contents. Furthermore, we will take initiative to build a new business model by leveraging the brand power and membership network of the abovementioned website. Through these measures, 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 a strong demand for human resources services at client companies, but we expect that the country will continue to be a seller’s market for legal foreign workers because of the stricter rules by the government for granting and renewing working visas. To address this situation, we will strive to get involved in more recruiting service deals and acquire registrants to ultimately increase the number of contracts signed by strengthening web-based promotions in the United States on top of sharing information and coordinating sales activities between the offices in the United States and those in Japan. Furthermore, we also aim to increase profitability by price revisions and differentiate ourselves from our competitors by establishing a trusted relationship with our client companies and job seekers with meticulous service offering.

In China, there are an increasing number of issues involving labor relations at the local companies. As a result, there is still a steadily growing need for personnel and labor consulting services. In response to this need, we will build up sales and service structure by recruiting and training QUICK’s own workforce to provide more companies with comprehensive support extending from solving client companies’ recruiting and personnel and labor issues to employee training programs. Consequently, we will enhance our credibility and competitiveness as a company providing a personnel and labor consulting service. It is noted that we expect the impact of the trade conflict between the U.S. and China to become prominent in the next fiscal year and onward and therefore we will build a sales structure flexible enough to respond to the development of this issue.

We expect that Mexico will continue to see a consistent strong demand for human resources services in the domestic automobile industry. We will respond to the demand by reinforcing sales activities through recruiting and training for QUICK’s own workforce. We also aim to attract the number of new registrants and win more recruiting deals by upgrading contents of the website we operate, strengthening promotional activities and holding seminars and events for corporate clients both in Japan and Mexico.

In the United Kingdom, uncertainty with the country’s upcoming withdrawal from the European Union may have negative impact on the demands for workers. To address this situation, we will accelerate our efforts to capture job offers covering a wide variety of positions by stepping up our approach to Japanese firms, local firms and Chinese firms not only in the United Kingdom but also in other countries in Europe as well as companies in Japan. We also continue focusing on attracting registrants through web promotions, thus establishing a business base for international career change supports (Cross Border Recruitment services) among European countries and Japan.

In Vietnam, we currently deem shortage of sales force as our challenge in cultivating new customers. We need to step up our efforts to increase business performance by attracting registrants for our recruitment support services. To address these issues, we focus on recruiting talented people and supporting them to exert their talent and skills early on. We also reinforce our core recruitment support services through increasing Japanese and Vietnamese registrants by accelerated web promotions.

In Japan, we will support these overseas subsidiaries in their sales activities. We aim to accomplish our goal of becoming “Sekai no Jinjibu,” which is our group vision, a Human Resources Division that can help solve the labor issues of companies in Japan and other countries, through building a business model by which companies overseas can collaborate to develop human resources services.

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)

	FY3/18 (As of Mar. 31, 2018)	FY3/19 (As of Mar. 31, 2019)
Assets		
Current assets		
Cash and deposits	5,044,883	6,364,521
Notes and accounts receivable-trade	1,997,915	2,061,682
Other	380,119	621,235
Allowance for doubtful accounts	(1,443)	(2,010)
Total current assets	7,421,474	9,045,428
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,177,384	1,559,302
Accumulated depreciation	(645,675)	(693,773)
Buildings and structures, net	531,709	865,528
Vehicles	8,796	10,620
Accumulated depreciation	(1,958)	(4,145)
Vehicles, net	6,838	6,474
Tools, furniture and fixtures	202,964	241,698
Accumulated depreciation	(112,951)	(140,114)
Tools, furniture and fixtures, net	90,012	101,584
Land	276,869	276,869
Leased assets	12,626	18,926
Accumulated depreciation	(4,603)	(8,064)
Leased assets, net	8,022	10,862
Construction in progress	70,811	-
Total property, plant and equipment	984,264	1,261,318
Intangible assets		
Software	134,610	151,609
Software in progress	47,171	80,274
Goodwill	143,708	118,858
Leased assets	6,224	-
Other	10,646	10,646
Total intangible assets	342,361	361,389
Investments and other assets		
Investment securities	1,100,759	1,154,136
Leasehold deposits	510,491	626,310
Deferred tax assets	40,670	62,954
Other	62,250	84,605
Allowance for doubtful accounts	(11,105)	(3,843)
Total investments and other assets	1,703,065	1,924,162
Total non-current assets	3,029,691	3,546,870
Total assets	10,451,165	12,592,299

(Thousands of yen)

	FY3/18 (As of Mar. 31, 2018)	FY3/19 (As of Mar. 31, 2019)
Liabilities		
Current liabilities		
Accounts payable-trade	655,473	545,634
Short-term loans payable	188,300	189,902
Accounts payable-other	889,392	1,115,052
Accrued expenses	442,178	520,136
Lease obligations	8,652	3,491
Income taxes payable	342,450	646,929
Accrued consumption taxes	235,419	292,621
Provision for bonuses	359,642	475,298
Provision for bonuses for directors (and other officers)	-	62,450
Provision for repayment	17,100	18,200
Asset retirement obligations	-	679
Other	181,397	199,981
Total current liabilities	3,320,007	4,070,375
Non-current liabilities		
Lease obligations	5,915	7,629
Deferred tax liabilities	90,871	65,288
Asset retirement obligations	55,310	86,830
Other	1,970	3,369
Total non-current liabilities	154,068	163,117
Total liabilities	3,474,075	4,233,493
Net assets		
Shareholders' equity		
Capital stock	351,317	351,317
Capital surplus	307,998	391,392
Retained earnings	5,723,382	6,968,762
Treasury shares	(19,223)	(14,965)
Total shareholders' equity	6,363,475	7,696,505
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	586,784	661,606
Foreign currency translation adjustment	14,629	(707)
Total accumulated other comprehensive income	601,413	660,899
Non-controlling interests	12,201	1,401
Total net assets	6,977,090	8,358,806
Total liabilities and net assets	10,451,165	12,592,299

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)
Net sales	16,775,078	19,173,142
Cost of sales	7,026,983	7,531,491
Gross profit	9,748,094	11,641,650
Selling, general and administrative expenses	7,549,332	9,060,203
Operating profit	2,198,762	2,581,447
Non-operating income		
Interest income	114	170
Dividend income	14,379	12,359
Sale cooperation fee	-	9,000
Book sales commission	22,562	-
Subsidy income	30,921	198,117
Other	39,565	22,214
Total non-operating income	107,543	241,861
Non-operating expenses		
Interest expenses	2,351	1,979
Foreign exchange losses	2,326	2,421
Other	1,077	478
Total non-operating expenses	5,755	4,879
Ordinary profit	2,300,551	2,818,428
Extraordinary income		
Gain on sales of investment securities	507	-
Total extraordinary income	507	-
Extraordinary losses		
Loss on sales of non-current assets	51	-
Loss on retirement of non-current assets	26,004	2,539
Total extraordinary losses	26,055	2,539
Profit before income taxes	2,275,004	2,815,889
Income taxes-current	617,699	936,436
Income taxes-deferred	28,967	(87,333)
Total income taxes	646,667	849,102
Profit	1,628,337	1,966,786
Profit attributable to non-controlling interests	1,044	501
Profit attributable to owners of parent	1,627,292	1,966,284

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)
Profit	1,628,337	1,966,786
Other comprehensive income		
Valuation difference on available-for-sale securities	166,259	74,821
Foreign currency translation adjustment	7,922	(15,668)
Total other comprehensive income	174,181	59,152
Comprehensive income	1,802,518	2,025,939
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,801,420	2,025,770
Comprehensive income attributable to non-controlling interests	1,097	168

(3) Consolidated Statement of Changes in Equity

FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)

(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	4,728,581	(19,019)	5,368,878
Changes of items during period					
Dividends of surplus			(619,989)		(619,989)
Profit attributable to owners of parent			1,627,292		1,627,292
Purchase of treasury shares				(204)	(204)
Change of scope of consolidation			(12,503)		(12,503)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	994,800	(204)	994,596
Balance at end of current period	351,317	307,998	5,723,382	(19,223)	6,363,475

	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	420,525	6,760	427,285	-	5,796,164
Changes of items during period					
Dividends of surplus					(619,989)
Profit attributable to owners of parent					1,627,292
Purchase of treasury shares					(204)
Change of scope of consolidation					(12,503)
Net changes of items other than shareholders' equity	166,259	7,868	174,127	12,201	186,329
Total changes of items during period	166,259	7,868	174,127	12,201	1,180,925
Balance at end of current period	586,784	14,629	601,413	12,201	6,977,090

FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)

(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	5,723,382	(19,223)	6,363,475
Changes of items during period					
Dividends of surplus			(696,464)		(696,464)
Profit attributable to owners of parent			1,966,284		1,966,284
Purchase of treasury shares				(85)	(85)
Disposal of treasury shares		115,427		4,342	119,770
Change of scope of consolidation			(24,439)		(24,439)
Change in ownership interest of parent due to transactions with non-controlling interests		(32,033)			(32,033)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	83,393	1,245,380	4,257	1,333,030
Balance at end of current period	351,317	391,392	6,968,762	(14,965)	7,696,505

	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	586,784	14,629	601,413	12,201	6,977,090
Changes of items during period					
Dividends of surplus					(696,464)
Profit attributable to owners of parent					1,966,284
Purchase of treasury shares					(85)
Disposal of treasury shares					119,770
Change of scope of consolidation					(24,439)
Change in ownership interest of parent due to transactions with non-controlling interests					(32,033)
Net changes of items other than shareholders' equity	74,821	(15,336)	59,485	(10,800)	48,685
Total changes of items during period	74,821	(15,336)	59,485	(10,800)	1,381,716
Balance at end of current period	661,606	(707)	660,899	1,401	8,358,806

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)
Cash flows from operating activities		
Profit before income taxes	2,275,004	2,815,889
Depreciation	152,886	169,508
Amortization of goodwill	7,389	14,614
Increase (decrease) in allowance for doubtful accounts	(7,943)	(6,697)
Increase (decrease) in provision for bonuses	(51,529)	115,268
Increase (decrease) in provision for directors' bonuses	(52,450)	62,450
Increase (decrease) in provision for repayment	2,100	1,100
Interest and dividend income	(14,494)	(12,529)
Interest expenses	2,351	1,979
Loss (gain) on sales of non-current assets	51	-
Loss on retirement of non-current assets	26,004	2,539
Loss (gain) on sales of investment securities	(507)	-
Decrease (increase) in notes and accounts receivable-trade	(135,948)	(42,280)
Increase (decrease) in notes and accounts payable-trade	(25,974)	(100,294)
Decrease (increase) in leasehold and guarantee deposits	(86,218)	(115,463)
Increase (decrease) in accrued consumption taxes	(10,996)	58,496
Other, net	158,419	870
Subtotal	2,238,143	2,965,452
Interest and dividend income received	14,494	12,529
Interest expenses paid	(2,296)	(1,977)
Income taxes paid	(817,773)	(621,678)
Net cash provided by (used in) operating activities	1,432,567	2,354,325
Cash flows from investing activities		
Purchase of property, plant and equipment	(198,452)	(202,646)
Purchase of intangible assets	(89,803)	(123,937)
Purchase of investment securities	(65,538)	(5,595)
Proceeds from sales of investment securities	840	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(142,499)	-
Other, net	4,803	-
Net cash provided by (used in) investing activities	(490,650)	(332,179)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,602)	1,602
Repayments of lease obligations	(14,133)	(10,172)
Purchase of treasury shares	(204)	(85)
Cash dividends paid	(618,271)	(695,526)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(42,062)
Net cash provided by (used in) financing activities	(634,210)	(746,245)
Effect of exchange rate change on cash and cash equivalents	2,407	(7,386)
Net increase (decrease) in cash and cash equivalents	310,113	1,268,514
Cash and cash equivalents at beginning of period	4,639,428	5,014,883
Increase in cash and cash equivalents from newly consolidated subsidiary	65,341	51,123
Cash and cash equivalents at end of period	5,014,883	6,334,521

(5) Notes to Consolidated Financial Statements

Going-concern Assumption

Not applicable.

Additional Information

Application of Partial Amendments to Accounting Standard for Tax Effect Accounting, etc.

Effective from the beginning of the fiscal year under review, the Company applied the Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) and other related pronouncements. Accordingly, deferred tax assets and deferred tax liabilities have been presented in the investments and other assets section and the non-current liabilities section of the consolidated balance sheet, respectively.

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, business contracting and nursery school operations. 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, China, Mexico, the United Kingdom and Vietnam (Overseas Business).

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

The method of accounting for the reported operating segments is in accordance with the accounting policy adopted to prepare the consolidated financial statements.

Profits for reportable segments are generally operating profit.

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

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

FY3/18 (Apr. 1, 2017 – Mar. 31, 2018) (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	9,915,233	3,693,440	1,762,265	15,370,939	1,404,138	16,775,078	-	16,775,078
Inter-segment sales and transfers	2,143	25,990	11,859	39,994	46,614	86,608	(86,608)	-
Total	9,917,377	3,719,431	1,774,125	15,410,933	1,450,753	16,861,687	(86,608)	16,775,078
Segment profit	1,735,060	881,467	3,407	2,619,935	198,416	2,818,351	(619,588)	2,198,762
Segment assets	4,361,426	2,182,505	971,287	7,515,219	1,051,704	8,566,924	1,884,241	10,451,165
Other items								
Depreciation	73,383	3,262	27,451	104,097	14,339	118,437	34,449	152,886
Increase in property, plant and equipment and intangible assets	170,583	31,497	36,152	238,233	9,961	248,194	35,177	283,371

Notes: 1. Other represents the businesses which are not included in any of the reportable segments and mainly consists of Internet-Related Business and Overseas Business.

2. Contents of adjustments are as follows.

(1) The (619,588) thousand yen adjustment to segment profit includes elimination for inter-segment transactions of 137,338 thousand yen, and (756,926) thousand yen in company-wide costs that cannot be allocated to any specific reportable segments. Company-wide costs consist primarily of expenses related to the administration division, which are not attributable to any reportable segments, including general affairs and accounting at the Company.

(2) The 1,884,241 thousand yen adjustment to segment assets includes elimination for inter-segment transactions of (174,006) thousand yen, and 2,058,247 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 34,449 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 35,177 thousand yen adjustment to an increase in property, plant and equipment and intangible assets is the sum of assets which are not attributable to any reportable segments and 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.

FY3/19 (Apr. 1, 2018 – Mar. 31, 2019) (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	11,499,956	3,960,734	1,980,252	17,440,943	1,732,198	19,173,142	-	19,173,142
Inter-segment sales and transfers	1,004	8,019	12,000	21,023	26,774	47,798	(47,798)	-
Total	11,500,960	3,968,754	1,992,253	17,461,967	1,758,972	19,220,940	(47,798)	19,173,142
Segment profit	1,984,025	1,003,386	178,430	3,165,843	219,751	3,385,594	(804,147)	2,581,447
Segment assets	5,758,972	2,292,323	1,146,062	9,197,359	1,300,618	10,497,977	2,094,322	12,592,299
Other items								
Depreciation	93,802	4,330	27,028	125,160	10,694	135,855	33,653	169,508
Increase in property, plant and equipment and intangible assets	379,794	4,310	11,153	395,258	6,261	401,519	53,881	455,401

Notes: 1. Other represents the businesses which are not included in any of the reportable segments and mainly consists of Internet-Related Business and Overseas Business.

2. Contents of adjustments are as follows.

(1) The (804,147) thousand yen adjustment to segment profit includes elimination for inter-segment transactions of 143,936 thousand yen, and (948,084) thousand yen in company-wide costs that cannot be allocated to any specific reportable segments. Company-wide costs consist primarily of expenses related to the administration division, which are not attributable to any reportable segments, including general affairs and accounting at the Company.

(2) The 2,094,322 thousand yen adjustment to segment assets includes elimination for inter-segment transactions of (342,684) thousand yen, and 2,437,006 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 33,653 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 53,881 thousand yen adjustment to an increase in property, plant and equipment and intangible assets is the sum of assets which are not attributable to any reportable segments and 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.

6. Other Information

Changes in Directors (changes are to be authorized subject to approval at the Annual General Meeting of Shareholders and the subsequent Board of Directors' meeting, both scheduled on June 20, 2019)

(1) Changes in representative directors

New position	Name	Current position
Chairman, Representative Director and Group CEO	Tsutomu Wano	President, Representative Director and Group CEO
President, Representative Director and General Manager of Personal Placement Business Division	Ichiro Kawaguchi	Managing Director, Executive Officer, General Manager of Personal Placement Business Division

(2) Change in director

New position	Name	Current position
Executive Vice-Chairman	Nobuaki Nakajima	Executive Vice-President, Chief Sales Officer

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.