

# **Results of Operations for the Fiscal Year Ended March 31, 2019 (FY3/19)**



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**1**

# **FY3 / 19 Consolidated Financial Summary**

## 9th consecutive year of sales and earnings growth

**Both sales and earnings rose to new record highs**

<b>Net sales</b>	<b>19,173</b> million yen	Up 14.3% YoY Up 1.1% vs. plan ※
<b>Operating profit</b>	<b>2,581</b> million yen	Up 17.4% YoY Up 0.3% vs. plan ※
<b>Ordinary profit</b>	<b>2,818</b> million yen	Up 22.5% YoY Up 0.9% vs. plan ※
<b>Profit attributable to owners of parent</b>	<b>1,966</b> million yen	Up 20.8% YoY Up 7.6% vs. plan ※

※ These are numerical value for the earnings modified forecast of the January 31, 2019 announcement.

## Point 1. Operating Environment

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

- Japan has a severe labor shortage in a wide range of sectors; one result is a record-high number of business failures caused by difficulties involving recruiting people, finding successors for owners and employee attrition

## Point 2. Our Activities

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

- Placed our priority on personnel placement and temporary staffing services for professionals, a job category with a severe shortage of qualified workers and difficulty recruiting people
- Upgraded and reinforced recruiting support services such as Indeed and Cocolor
- Increased investments in our workforce and took other actions to build a stronger foundation for business operations

## Human Resources Services Business is remained strong !

### 1. Human Resources Service Business

Net sales : **11,499** million yen    Operating profit: **1,984** million yen

### 2. Recruiting Business

Net sales : **3,960** million yen    Operating profit: **1,003** million yen

### 3. Information Publishing Business

Net sales : **1,980** million yen    Operating profit: **178** million yen

### 4. Other Businesses

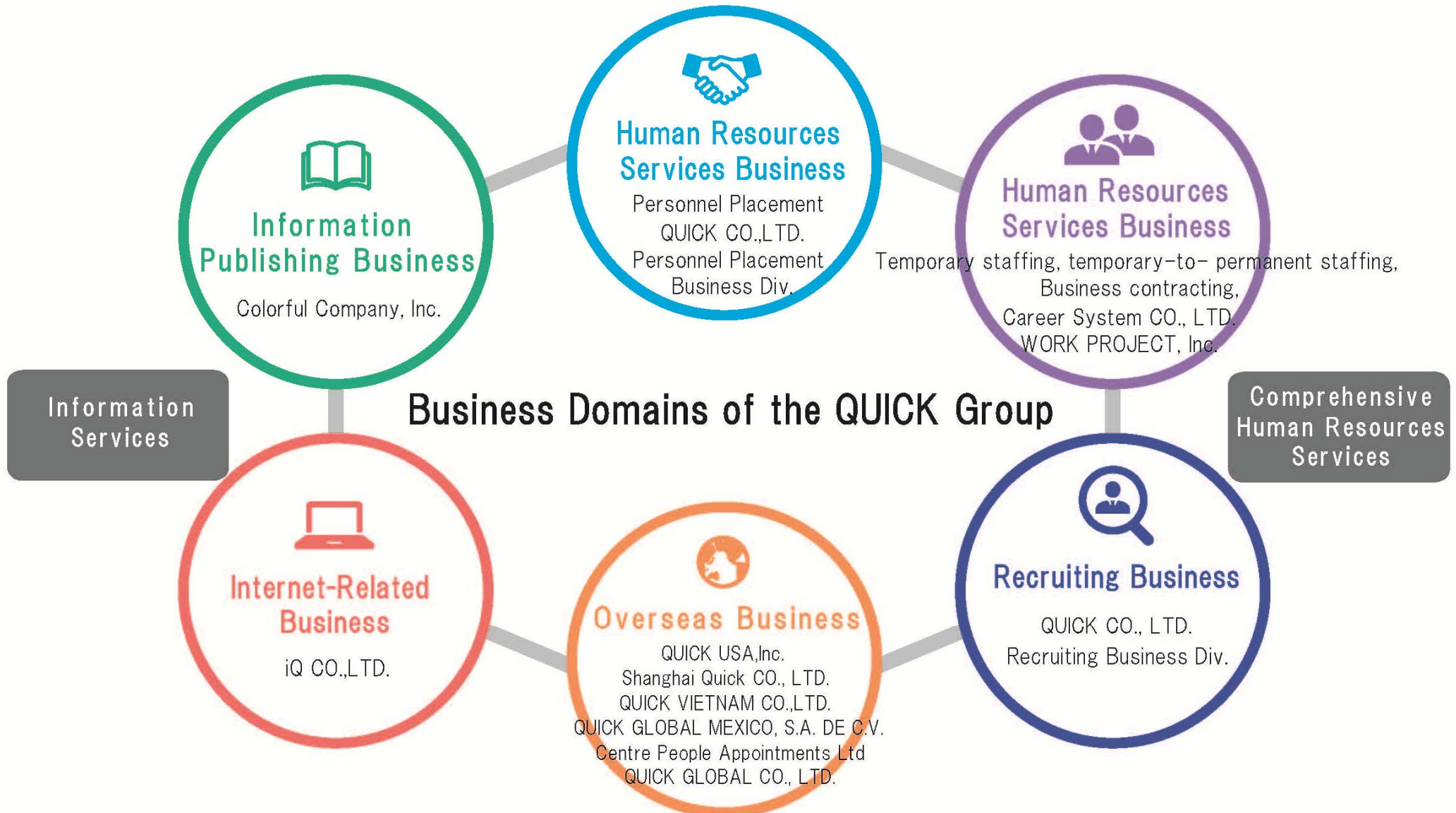
Net sales : **1,732** million yen    Operating profit: **219** million yen

**2**

# **FY3 / 19 Consolidated Financial Results**

## 2 Business Domains of the QUICK Group

### ■ Contributing to society through human resources and information businesses





## 2 FY3/19 Financial Results (YoY Change/Vs. Modified Plan)

YoY Change/Vs. Modified Plan		(Millions of yen)					
	FY3/19 Results	FY3/18 Results			FY3/19 Mod Plan ※2		
		Results	YoY change (amount)	YoY change (%)	Mod Plan	Vs. Plan (amount)	Vs. Plan (%)
Net sales	19,173	16,775	2,398	14.3%	18,970	203	1.1%
Gross profit	11,641	9,748	1,893	19.4%	11,540	101	0.9%
Selling, general and administrative expenses	9,060	7,549	1,510	20.0%	8,967	93	1.0%
Operating profit	2,581	2,198	382	17.4%	2,573	8	0.3%
Ordinary profit ※1	2,818	2,300	517	22.5%	2,794	24	0.9%
Profit attributable to owners of parent	1,966	1,627	338	20.8%	1,828	138	7.6%

- Notes: 1. Non-operating income includes subsidy income of 198 million yen which was granted to subsidize the construction costs of a nursery school. (FY3/19 Results)
2. We announced the earnings modified forecast on January 31, 2019.

## 2 FY3/19 Segment Results (YoY Change/Vs. Modified Plan)

### YoY Change/Vs. Modified Plan

(Millions of yen)

Segment		FY3/19 Results	FY3/18 Results			FY3/19 Mod Plan		
			Results	YoY change (amount)	YoY change (%)	Mod Plan	Vs. Plan (amount)	Vs. Plan (%)
Sales	Human Resources Services Business	11,499	9,915	1,584	16.0%	11,524	▲ 24	▲ 0.2%
	Recruiting Business	3,960	3,693	267	7.2%	3,817	143	3.8%
	Information Publishing Business	1,980	1,762	217	12.4%	1,910	70	3.7%
	Other	1,732	1,404	328	23.4%	1,717	14	0.8%
	Total	19,173	16,775	2,398	14.3%	18,970	203	1.1%
Operating profit	Human Resources Services Business	1,984	1,735	248	14.3%	2,004	▲ 20	▲ 1.0%
	Recruiting Business	1,003	881	121	13.8%	950	53	5.6%
	Information Publishing Business	178	3	175	5,136.3%	129	49	38.0%
	Other	219	198	21	10.8%	226	▲ 7	▲ 3.1%
	Adjustment	▲ 804	▲ 619	▲ 184	-	▲ 737	▲ 66	-
Total	2,581	2,198	382	17.4%	2,573	8	0.3%	

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

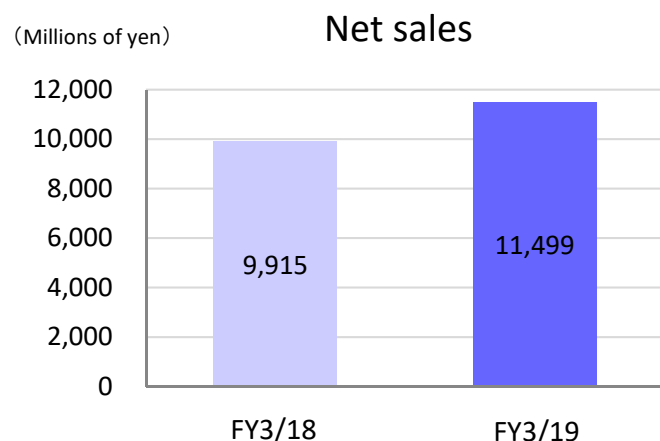
## 2 FY3/19 Segment Results (Human Resources Service Business)



Net Sales : **11,499** million yen      Operating profit : **1,984** million yen  
Placements of nurses and other professionals remained strong.

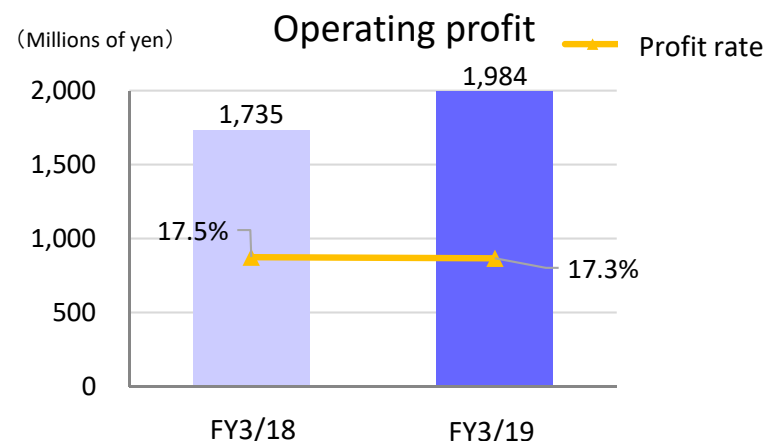
### Sales (Millions of yen)

- Personnel placement : 1,465 ↗
- Temporary staffing : 54 ↗  
(of which temporary placement of nurse: 119 ↗ )



### Operating expenses (Millions of yen)

- Personnel placement strengthened promotions : 216 ↗
- Higher personnel expenses due to increased workforce and improved compensation, etc : 689 ↗
- Higher temporary staffing sales resulted in an increase in labor cost : 47 ↗



## 2 FY3/19 Segment Results (Recruiting Business)

Net sales : **3,960** million yen

Operating profit : **1,003** million yen

Consulting products increase largely !

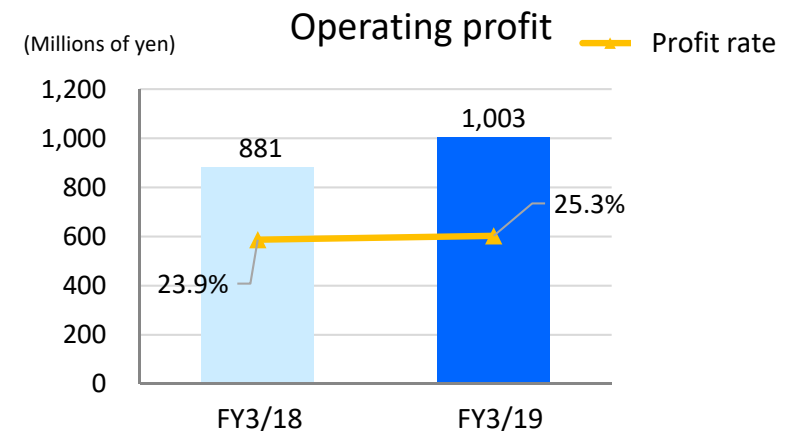
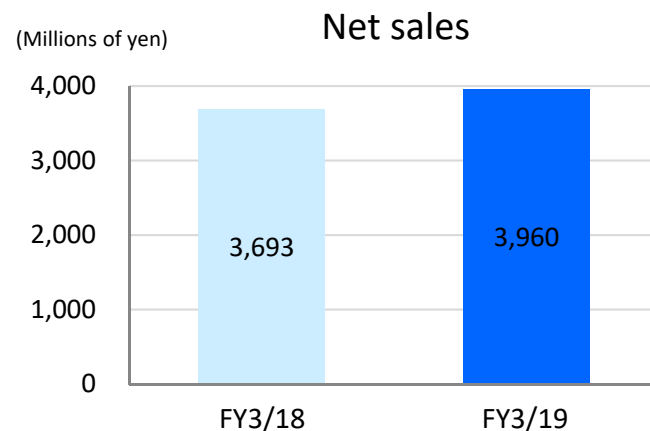
### Sales (millions of yen)

- In-house planned products<sup>\*1</sup> : 281 ↗
  - \*1) Effect improvement consulting of the recruiting advertisement that include Indeed
- Recruiting advertising<sup>\*2</sup> : 16 ↘
  - \*2) No change in gross profit due to switch of Rikunabi-haken to outsourcing fees

### Operating expenses (millions of yen)

- Higher personnel expenses due to increased workforce and improved compensation, etc. : 147 ↗
- Outsourcing expenses for advertisement production : 185 ↗
- Placement expenses for recruiting ads<sup>\*3</sup> : 279 ↘
  - \*3) Switch to outsourcing fees reduced purchases

Recruiting Business Advertisement Volume (QUICK estimates):  
FY3/19 9,493 (FY3/18 8,610)



## 2 FY3/19 Segment Results (Information Publishing Business)

Net sales : **1,980** million yen      Operating profit : **178** million yen

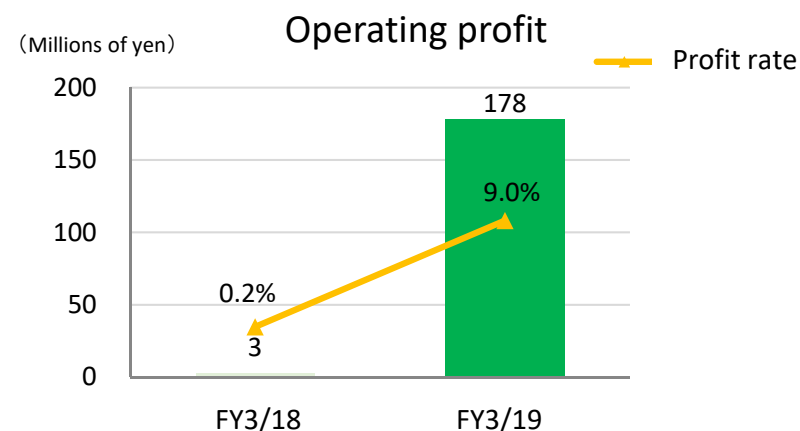
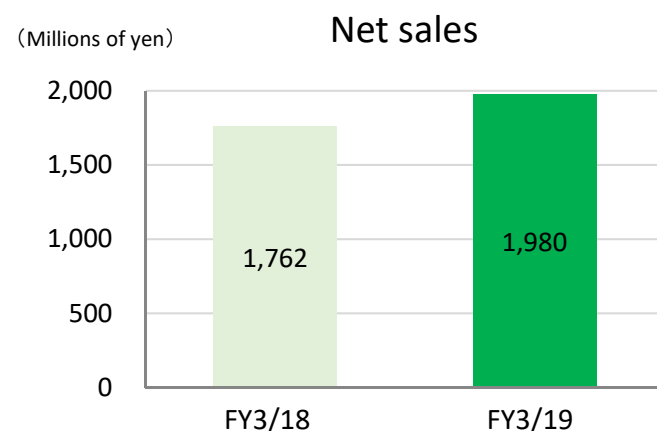
Concierge service(Human Resources Service domain) and Posting increase smoothly !

### ■ Sales (millions of yen)

- Concierge service : 78 ➡
- Posting : 60 ➡
- WEB products : 56 ➡  
    ※「Kekkon Sanka Web」 etc.
- Free paper : 21 ➡

### ■ Operating expenses (millions of yen)

- Shipment expenses : 16 ➡
- Labor cost : 16 ➡
- Expendable supplies cost : 10 ➡



## 2 FY3/19 Segment Results (Other Businesses: Internet-Related Business, Overseas Business)



Net sales : **1,732 million yen**      Operating profit : **219 million yen**

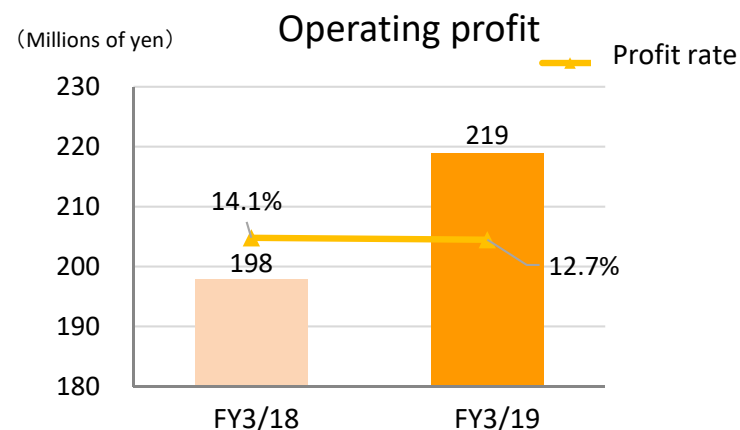
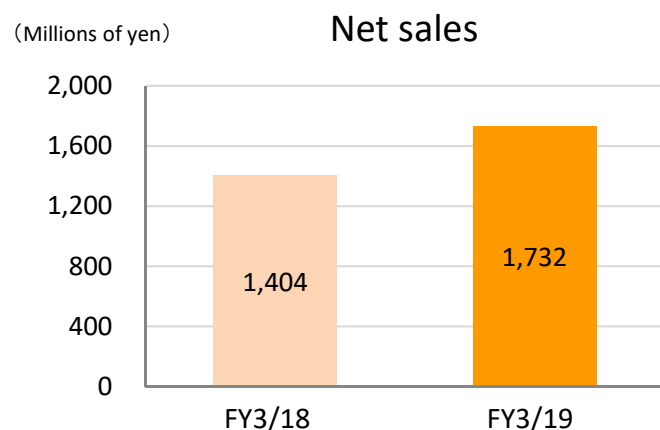
Nihon no Jinjibu continued to perform well. QUICK VIETNAM contributed to consolidated sales and earnings as it became a consolidated subsidiary in FY3/19. QUICK GLOBAL, which was established to oversee and support foreign subsidiaries, became a consolidated subsidiary in FY3/19.

### ■ Sales (millions of yen)

- Nihon no Jinjibu : 111 ↗
- Overseas Business : 254 ↗  
(USA:48, UK:153)

### ■ Operating expenses (millions of yen)

- Internet-Related Business (Advertising and other expenses): ▲14 ↘
- Overseas Business : 315 ↗  
(USA:41, UK:159)

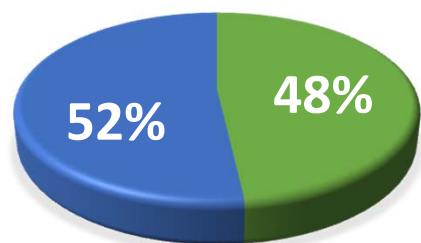


## 2 FY3/19 Segment Results

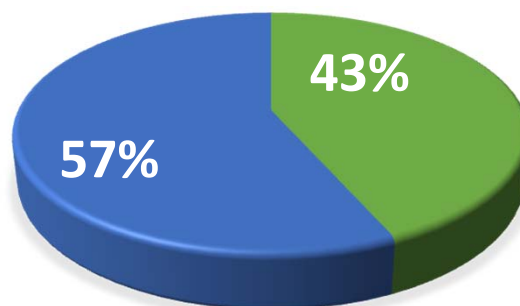
### Other (Internet-Related Business, Overseas Business)

#### Other sales

■ Internet-Related ■ Overseas



FY3/18



FY3/19

#### FY3/19

#### ◆ Internet-Related Business (millions of yen)

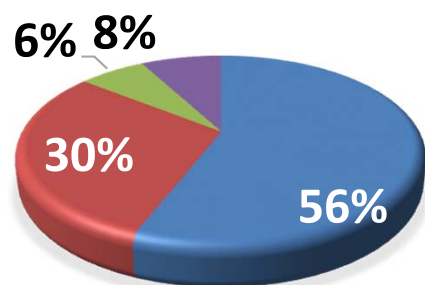
Net sales:	751
Operating profit:	225

#### ◆ Overseas Business (millions of yen)

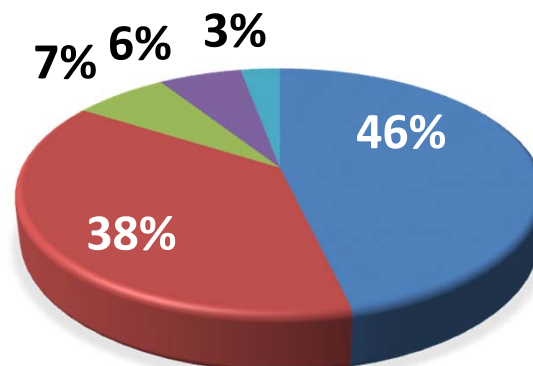
Net sales:	981
Operating profit:	▲5

#### Overseas business sales composition

■ USA ■ UK ■ Shanghai ■ Mexico ■ Vietnam



FY3/18



FY3/19

#### FY3/19

#### ◆ Overseas Business Sales (millions of yen)

USA:	454
UK:	369
Shanghai:	68
Mexico:	60
Vietnam:	28

**3**

# **FY3 / 20 Consolidated Earnings Forecast**



# Building a business portfolio and infrastructure for sales of 100 billion yen in 2030

1

### Strategic objectives for 10 years from now

- ▶ Continue investments for growth of current businesses and development of new businesses
- ▶ Strengthen M&A activities and implement more deals

2

### Growth of Cross Border Recruitment services

As Japan's working age population falls, create an international market that allows people to move from one job to another in different countries

3

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

Build a stronger organization, reform personnel systems for greater ease of doing jobs, provide career advancement support encompassing all group businesses, and establish a training and skill development infrastructure

### 3 FY3/20 Consolidated Earnings Forecast



Forecast 10th consecutive year of sales and earnings growth,  
and 7th consecutive year of record-high operating and ordinary profits

Forecast double-digit operating profit growth from business operations and ordinary profit up  
4.7% despite the absence of the prior-year subsidy income

Net sales	<b>20,940</b> million yen	Up 9.2% YoY
Operating profit	<b>2,920</b> million yen	Up 13.1% YoY
Ordinary profit	<b>2,950</b> million yen	Up 4.7% YoY
Profit attributable to owners of parent	<b>1,995</b> million yen	Up 1.5% YoY

\*A subsidy of 198 million yen was received in FY3/19 for construction of a nursery school, but there will be no subsidy income in FY3/20.

### 3 FY3/20 Business Segment Goals (Human Resources Service Business)



Net sales : **13,169** million yen    Operating profit : **2,232** 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: Expand operations in areas of Japan targeted for growth

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

- Strengthen temporary staffing services in medical and welfare sectors (nurses, nursing care professionals and childcare workers)
- Strengthen services for temporary part-time workers (skilled workers for IT/Internet jobs and office work)

### 3 FY3/20 Business Segment Goals (Recruiting Business)



Net sales : **3,921** million yen      Operating profit: **1,049** million yen

Conduct sales activities using all of QUICK's resources by upgrading the ability to incorporate consulting in sales activities and establishing uniform methods that all salespeople can use

- More actions for sales activities using all of QUICK's resources
- 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  
**Strengthen sales activities that include consulting for more successful recruiting activities**
- Part-time workers  
Our goal is to be the leader in sales by far in Recruit Holdings partner sales
- Indeed  
Further expansion of the handling

### 3 FY3/20 Business Segment Goals (Information Publishing Business)



Net sales : **2,008** million yen      Operating profit : **201** million yen

#### Change the composition of sales and improve productivity and profitability

- Infrastructure type media
  - lifestyle information magazines
    - Target new customer segments in order to attract a broader range of users and make the *Takaoka Joho* regional information magazine (started in FY3/19) a success
  - Iedukuri Navi, Kekkon Sanka
    - Increase the use of digital media
- Make the concierge service more powerful
  - Use this service, which has a high profit margin, to improve productivity
  - Make *Cocolor Tenshoku* number one in the Hokuriku region
- Strengthen the posting service
  - Contribute to the improvement of the profit rate

### 3 FY3/20 Business Segment Goals (Other Businesses: Internet-Related, Overseas)



Net sales : **1,841** million yen      Operating profit : **187** million yen

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

- Create a new profit model utilized the Nihon no Jinjibu website

Overseas Business — Start Cross Border Recruitment®

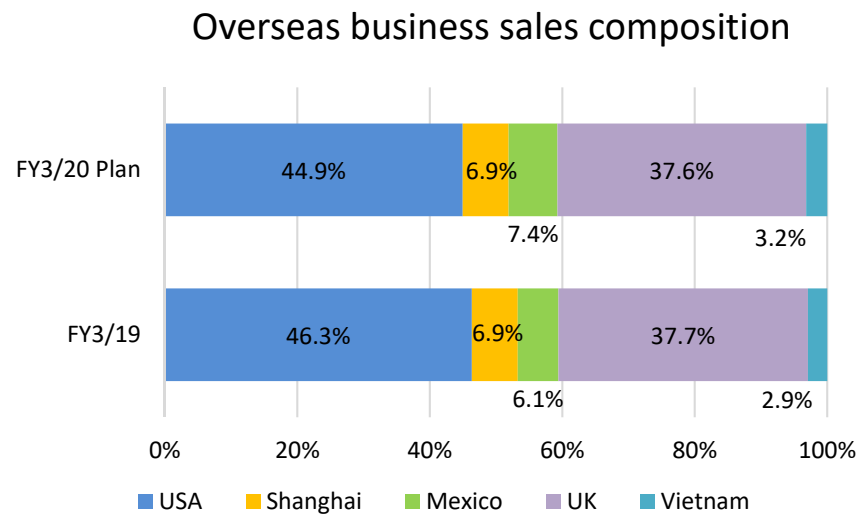
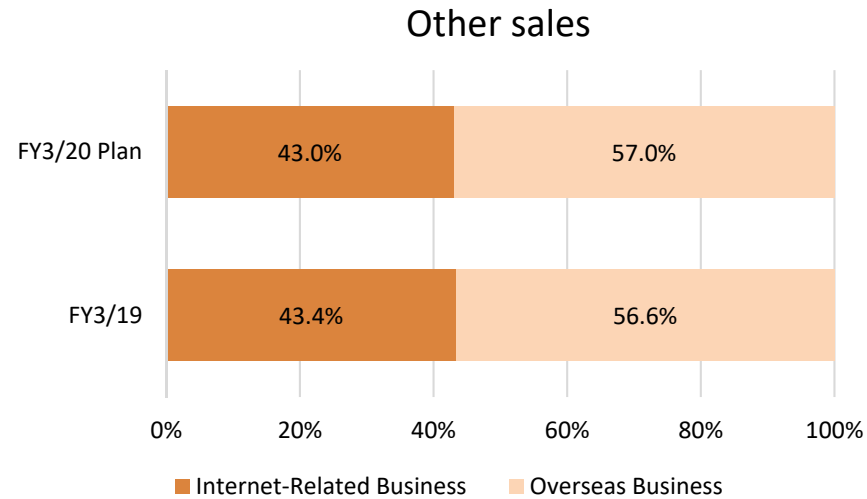
- Create a business that provides assistance for enabling people worldwide to find new jobs in different countries (a response to Japan's declining workforce because of the falling birthrate and the aging population)

✂ **Cross Border Recruitment is registered as a trademark of the global human resources service that our group provides.**



### 3 FY3/20 Business Segment Goals

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



### 3 FY3/20 Dividends Forecast

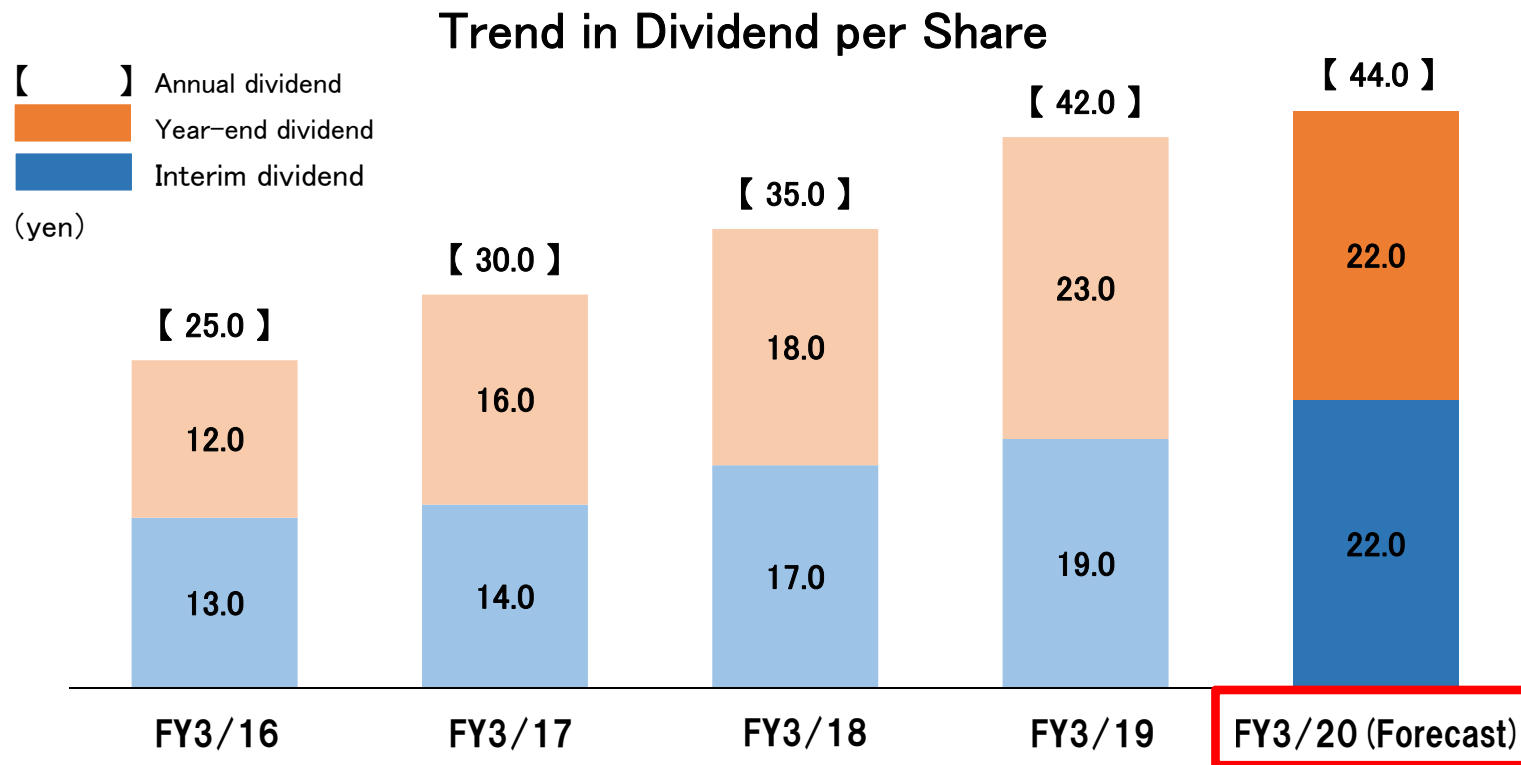
#### Payout ratio

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

#### FY3/20 Dividends Forecast

Annual dividend 44 yen

\* Interim dividend 22.0 yen + Year-end dividend 22.0 yen



Note: Dividend payout ratio increased from 30% to 40% from FY3/16.



**4**

# Medium-term Management Plan

## 4 Medium-term Management Plan

Forecast FY3/20 ordinary profit to grow slowly due to an absence of subsidy income of 198 million yen in FY3/19, which was granted to subsidize the construction costs of a nursery school in FY3/19

### Medium-term Management Plan (FY3/20–FY3/22)

(Millions of yen)

	FY3/19	FY3/20		FY3/21		FY3/22	
	Results	Mod Forecast	YoY change	Mod Forecast	YoY change	Mod Forecast	YoY change
Net sales	19,173	20,940	(9.2%)	23,260	(11.1%)	26,170	(12.5%)
Gross profit	11,641	12,960	(11.3%)	14,440	(11.4%)	16,400	(13.6%)
Selling, general and administrative expenses	9,060	10,040	(10.8%)	11,170	(11.3%)	12,470	(11.6%)
Operating profit	2,581	2,920	(13.1%)	3,270	(12.0%)	3,930	(20.2%)
Ordinary profit	2,818	2,950	(4.7%)	3,300	(11.9%)	3,960	(20.0%)
Profit attributable to owners of parent	1,966	1,995	(1.5%)	2,228	(11.7%)	2,674	(20.0%)
Gross margin	60.7%	61.9%	(1.2pt)	62.1%	(0.2pt)	62.7%	(0.6pt)
Operating margin	13.5%	13.9%	(0.4pt)	14.1%	(0.2pt)	15.0%	(0.9pt)
Ordinary margin	14.7%	14.1%	(▲0.6pt)	14.2%	(0.1pt)	15.1%	(0.9pt)
Profit attributable to owners of parent margin	10.3%	9.5%	(▲0.8pt)	9.6%	(0.1pt)	10.2%	(0.6pt)

Note : QUICK reexamines and revises its medium-term management plan every year on a rolling basis. The upper list is based on a modified plan of the announcement on January 31, 2019

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



Medium-term Management Plan by Segment (FY3/20–FY3/22)

(Millions of yen)

Segment		FY3/19	FY3/20		FY3/21		FY3/22	
		Results	Mod Forecast	YoY change	Mod Forecast	YoY change	Mod Forecast	YoY change
Sales	Human Resources Services Business	11,499	13,169	(14.5%)	15,016	(14.0%)	17,314	(15.3%)
	Recruiting Business	3,960	3,921	(▲ 1.0%)	4,094	(4.4%)	4,300	(5.1%)
	Information Publishing Business	1,980	2,008	(1.4%)	2,148	(7.0%)	2,388	(11.2%)
	Other	1,732	1,841	(6.3%)	2,000	(8.7%)	2,166	(8.3%)
	<b>Total</b>	<b>19,173</b>	<b>20,940</b>	<b>(9.2%)</b>	<b>23,260</b>	<b>(11.1%)</b>	<b>26,170</b>	<b>(12.5%)</b>
Operating profit	Human Resources Services Business	1,984	2,232	(12.5%)	2,511	(12.5%)	3,025	(20.5%)
	Recruiting Business	1,003	1,049	(4.6%)	1,089	(3.8%)	1,138	(4.4%)
	Information Publishing Business	178	201	(12.7%)	230	(14.4%)	278	(21.0%)
	Other	219	187	(▲ 14.5%)	190	(1.7%)	248	(30.0%)
	Adjustment	▲ 804	▲ 751	-	▲ 752	-	▲ 760	-
<b>Total</b>	<b>2,581</b>	<b>2,920</b>	<b>(13.1%)</b>	<b>3,270</b>	<b>(12.0%)</b>	<b>3,930</b>	<b>(20.2%)</b>	

# **5** Supplementary Materials

## 5 FY3/20 Consolidated Earnings Forecast



### FY3/20 Earnings/dividends forecasts (YoY change)

(Millions of yen)

Segment	FY3/20						FY3/19 (Full year)
	1H forecast		2H forecast		Full year forecast		Amount
	Amount	YoY change	Amount	YoY change	Amount	YoY change	
Net sales	10,800	8.7%	10,139	9.8%	20,940	9.2%	19,173
Gross profit	7,157	11.2%	5,802	11.5%	12,960	11.3%	11,641
Selling, general and administrative expenses	4,936	11.6%	5,103	10.0%	10,040	10.8%	9,060
Operating profit	2,221	10.1%	698	24.0%	2,920	13.1%	2,581
Ordinary profit	2,237	10.0%	712	▲ 9.2%	2,950	4.7%	2,818
Profit attributable to owners of parent	1,498	8.3%	497	▲ 14.7%	1,995	1.5%	1,966
Dividend per share (yen)	22.0	3.0	22.0	▲ 1.0	44.0	2.0	42.0

## 5 FY3/20 Forecast by Segment



FY3/20 Forecast by segment (YoY Change)

(Millions of yen)

Segment		FY3/20						FY3/19 (Full year)
		1H forecast		2H forecast		Full year forecast		Amount
		Amount	YoY change	Amount	YoY change	Amount	YoY change	Amount
Sales	Human Resources Services Business	7,205	12.3%	5,963	17.4%	13,169	14.5%	11,499
	Recruiting Business	1,718	▲ 1.5%	2,202	▲ 0.6%	3,921	▲ 1.0%	3,960
	Information Publishing Business	962	4.5%	1,046	▲ 1.2%	2,008	1.4%	1,980
	Other	913	6.9%	927	5.7%	1,841	6.3%	1,732
	<b>Total</b>	<b>10,800</b>	<b>8.7%</b>	<b>10,139</b>	<b>9.8%</b>	<b>20,940</b>	<b>9.2%</b>	<b>19,173</b>
Operating profit	Human Resources Services Business	1,991	6.1%	241	125.9%	2,232	12.5%	1,984
	Recruiting Business	446	26.4%	603	▲ 7.2%	1,049	4.6%	1,003
	Information Publishing Business	71	86.1%	129	▲ 7.5%	201	12.7%	178
	Other	99	▲ 20.6%	88	▲ 6.5%	187	▲ 14.5%	219
	Adjustment	▲ 387	2.9%	▲ 363	▲ 15.0%	▲ 751	▲ 6.6%	▲ 804
	<b>Total</b>	<b>2,221</b>	<b>10.1%</b>	<b>698</b>	<b>24.0%</b>	<b>2,920</b>	<b>13.1%</b>	<b>2,581</b>

# 5 Overseas Network



## Overseas Subsidiaries and Services



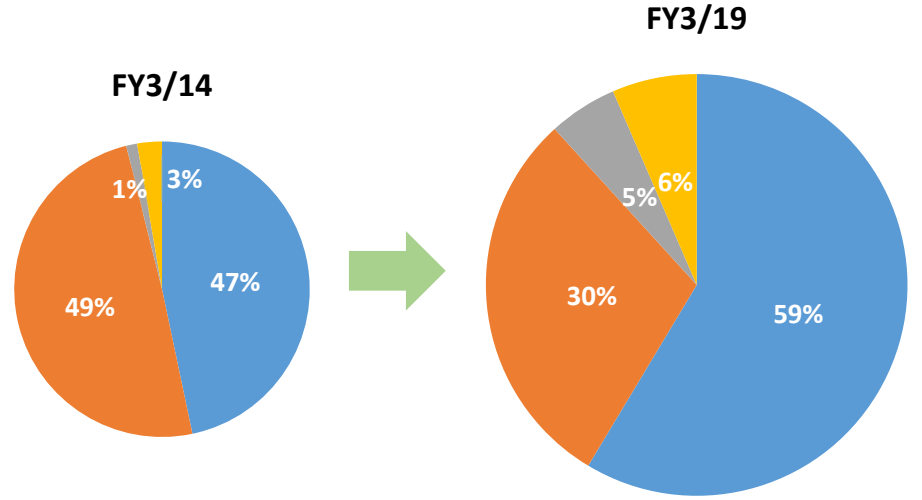
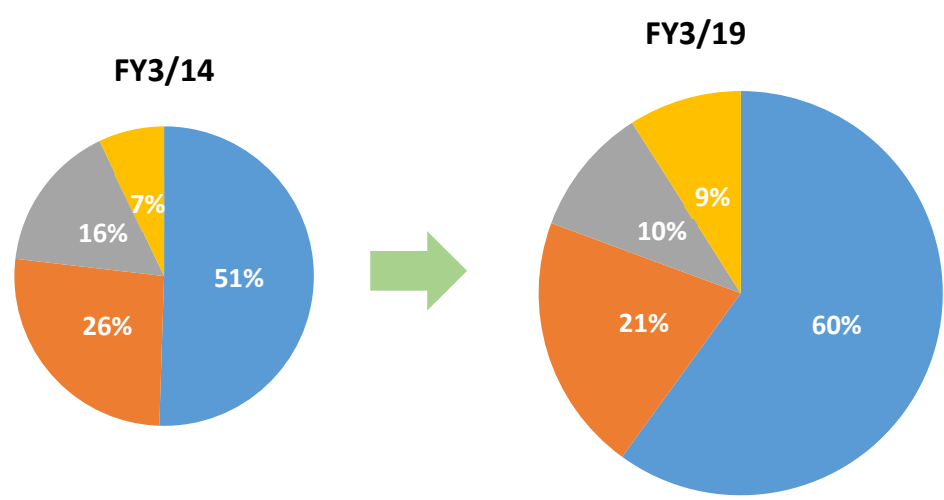
**5**

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



Composition of net sales

Composition of operating profit\*



Net sales  
10,202 million yen

Net sales  
19,173 million yen

Operating profit  
1,525 million yen

Operating profit  
3,385 million yen

	FY3/14	
	Net sales	Operating profit(※)
■	5,152	712
■	2,686	753
■	1,638	18
■	724	41
Total	10,202	1,525

	FY3/19	
	Net sales	Operating profit(※)
■	11,499	1,984
■	3,960	1,003
■	1,980	178
■	1,732	219
Total	19,173	3,385

■ Human Resources Services Business ■ Recruiting Business ■ Information Publishing Business ■ Other

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

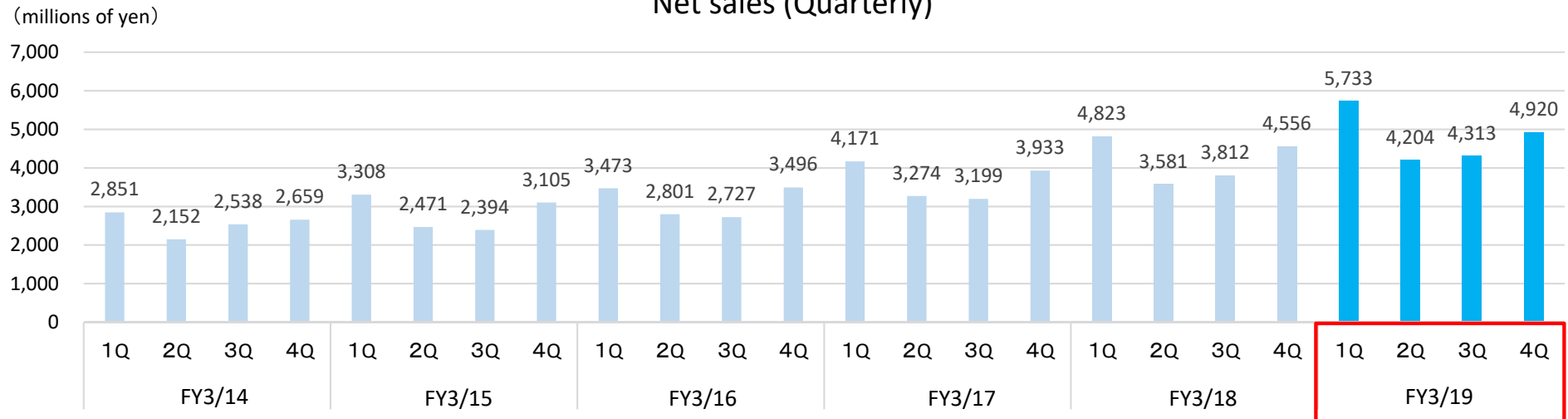


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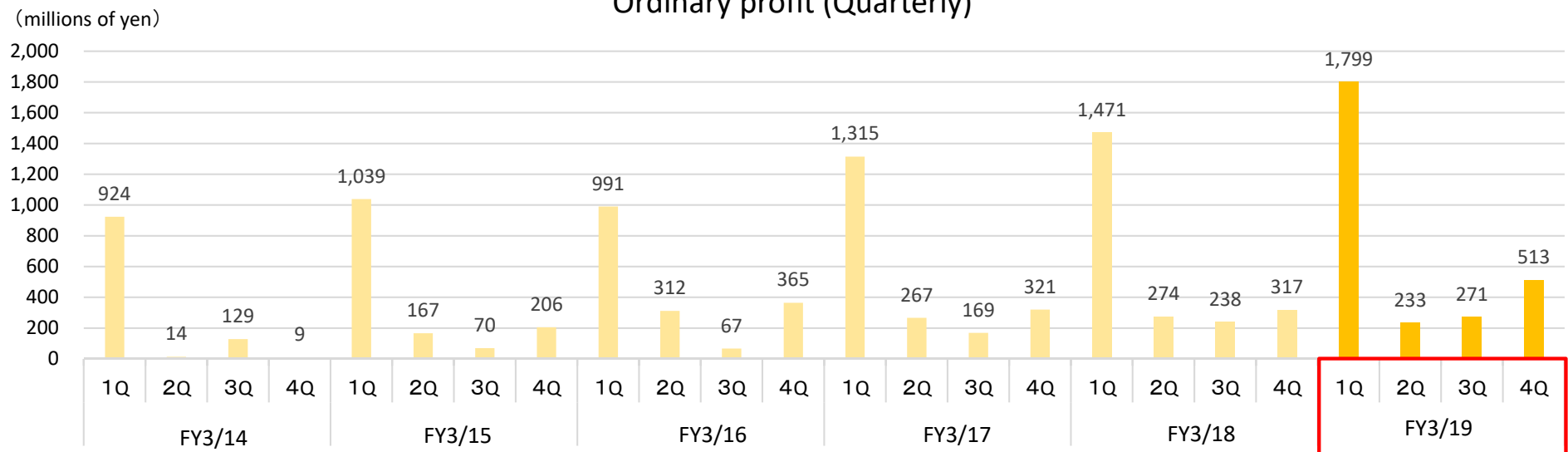
## Reference Data 2 Quarterly Results



### Net sales (Quarterly)



### Ordinary profit (Quarterly)

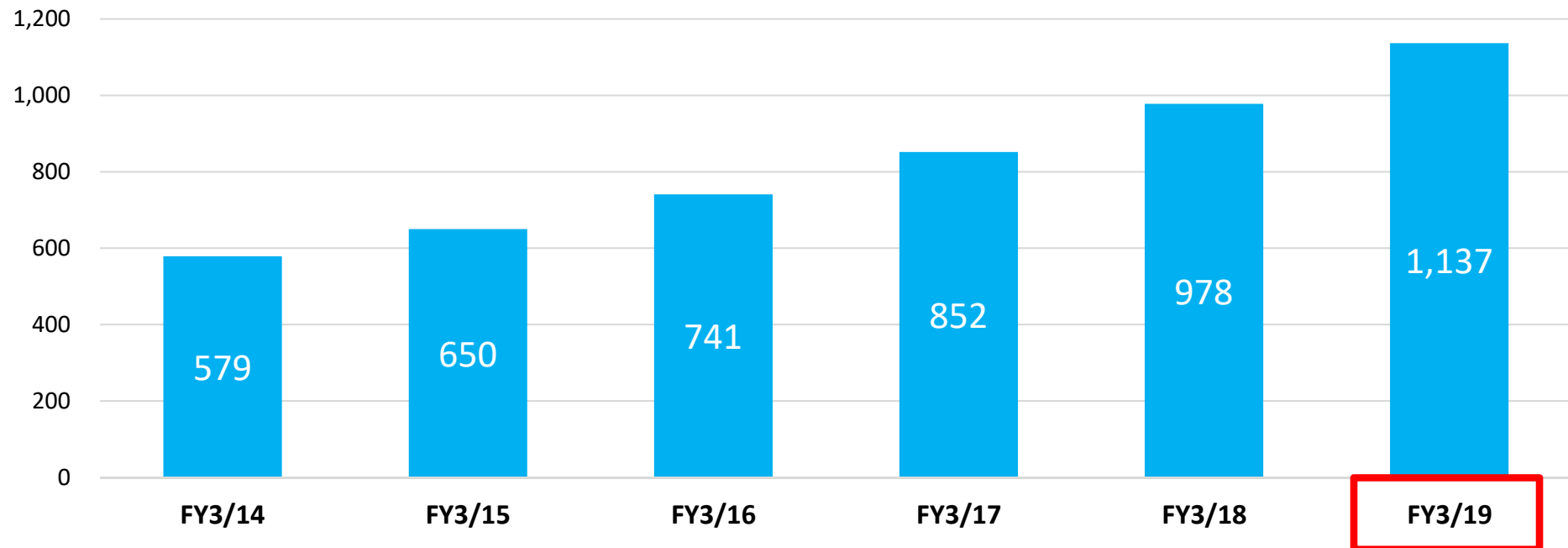


## 5 Reference Data 3 Number of Employees at Fiscal Year-End



# Number of employees up by **159** YoY

Number of Employees at Fiscal Year-End



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



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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