

**Summary of Consolidated Financial Results for the First Quarter
of the Fiscal Year Ending March 31, 2021
(Three Months Ended June 30, 2020)**

[Japanese GAAP]

July 31, 2020

Company name: QUICK CO., LTD.

Listing: First Section, Tokyo Stock Exchange

Stock code: 4318

URL: <https://919.jp/>

Representative: Tsutomu Wano, Chairman

Contact: Yasuhiko Hirata, Director, Executive Officer,
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Scheduled date of filing of Quarterly Report: August 7, 2020

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen.)

**1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2021
(April 1, 2020 – June 30, 2020)**

(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	%
Three months ended Jun. 30, 2020	6,302	2.2	1,924	0.9	1,931	0.7	1,378	4.5
Three months ended Jun. 30, 2019	6,163	7.5	1,907	6.5	1,917	6.6	1,318	7.6

Note: Comprehensive income (millions of yen) Three months ended Jun. 30, 2020: 1,547 (up 10.5%)
Three months ended Jun. 30, 2019: 1,401 (up 6.9%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2020	73.16	-
Three months ended Jun. 30, 2019	69.92	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Jun. 30, 2020	14,917	10,578	70.9	561.49
As of Mar. 31, 2020	13,558	9,464	69.8	502.19

Reference: Shareholders' equity (millions of yen) As of Jun. 30, 2020: 10,577 As of Mar. 31, 2020: 9,459

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year ended Mar. 31, 2020	Yen -	Yen 22.00	Yen -	Yen 23.00	Yen 45.00
Fiscal year ending Mar. 31, 2021	-	-	-	-	-
Fiscal year ending Mar. 31, 2021 (forecast)	-	-	-	-	-

Note: Revisions to the most recently announced dividend forecast: None

The dividend forecast for the fiscal year ending March 31, 2021 has not yet been determined as it is difficult to reasonably determine the earnings forecast at this time. The dividend forecast will be disclosed promptly once it becomes possible to disclose the earnings forecast.

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 – March 31, 2021)

The consolidated earnings forecast for the fiscal year ending March 31, 2021 has not yet been determined at this time as it is difficult to make a reasonable calculation of impacts from the COVID-19 pandemic. It will be disclosed promptly once it becomes possible to make a reasonable calculation of earnings forecast, while closely monitoring the trend of the COVID-19 going forward.

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

Newly added: - Excluded: 1 (QUICK GLOBAL CO., LTD.)

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) 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

(4) Number of shares outstanding (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Jun. 30, 2020:	19,098,576 shares	As of Mar. 31, 2020:	19,098,576 shares
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2) Number of treasury shares at the end of the period

As of Jun. 30, 2020:	261,173 shares	As of Mar. 31, 2020:	261,173 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2020:	18,837,403 shares	Three months ended Jun. 30, 2019:	18,857,403 shares
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* The current quarterly financial report is not subject to quarterly review 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 3 of the attachments "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements."

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first three months of the fiscal year ending March 31, 2021 the Japanese economy deteriorated rapidly, resulting in a very severe situation. This is because both consumer and corporate activities were restricted across the country, which was impacted by voluntarily refraining from going out, reduction of business hours as well as temporary closure of business operations that were requested in conjunction with the declaration of state of emergency issued in response to the spread of the COVID-19 infection. While the economic activities began resuming after the declaration was lifted late May, economic outlook remains uncertain due to fears of a second wave of the COVID-19 infection.

Japan's labor market has also been sharply worsening due to COVID-19. The seasonally adjusted job openings-to-applicants ratio declined for five consecutive months with 1.20 in May 2020 and the seasonally adjusted unemployment rate also declined for three consecutive months with 2.9% in the same month. That was a complete turn from the situation a year ago where many corporations across wide range of industries faced serious labor shortages.

Given this business environment, the QUICK Group expanded operations in new strategic market sectors, and strengthened coordination between the group companies as well as continued reinforcing the existing services under the COVID-19 pandemic environment. All of these activities are aimed at differentiating the QUICK Group from competitors and increasing customer satisfaction by helping solve HR related problems at client companies. Furthermore, the Group worked on strengthening the business base through restructuring the sales structure in order to enhance the productivity.

In the Human Resources Service Business, some of our client companies showed a weaker appetite for recruiting and suspended or delayed their hiring activities in the personnel placement category, being concerned about deterioration of the results and cautious about the Japanese economy prospect that will be impacted by the spread of the COVID-19 infection. Meanwhile, semiconductor industry showed a strong recruiting needs, enjoying a demand increase for PCs and smartphones amid accelerating investments mainly related to the fifth-generation (5G) mobile communication systems as well as telecommuting popularization. Additionally, after the state-of-emergency declaration was lifted, with recruiting needs becoming gradually vigorous in the construction and civil engineering sector as well as sectors requiring nurses and the like, the personnel placement business for professionals and technical staff to general companies and that of childcare professionals resulted in a steady expansion and nurses placement at hospitals and care facilities remained solid. Those are the major results of our efforts including focusing on selected categories, restructuring of our sales structure and providing an extensive support to our client companies and registrants who wish to change careers.

In the temporary staffing, temporary-to-permanent staffing and business contracting categories, the number of workdays of temporary staff in the medical and welfare sectors decreased in the beginning of the quarter, which was mainly caused by temporary closure at client companies' facilities, impacted by the spread of the COVID-19 infection and the state-of-emergency declaration. However, after the lifting of the state-of-emergency declaration, the temporary staffing of nurses and childcare workers continued to show a favorable expansion with gradual recovery of the number of workdays that led to continuous strong hiring needs. On the other hand, the temporary staffing for general sectors and categories for clerical jobs as well as sales assistants had poor results due to standby at home and reduced working hours, primarily due to the temporary closure of and telework adopted by client companies.

Overall, sales of the Human Resources Service Business increased 9.7% year-on-year to 4,759 million yen and operating profit also increased 18.7% year-on-year to 2,136 million yen.

In the Recruiting Business, the handling of recruiting events sharply decreased in the new college graduate category because the COVID-19 pandemic caused joint information meetings and recruiting events hosted by Rikunabi to be canceled until August 2020. Additionally, as client companies have been reviewing the budget and schedule for new graduates recruiting, the volume of advertisements remained low in our recruitment websites targeting March 2021 new college graduates and our internship websites for March 2022 new college graduates.

In the mid-career hiring domain, sales of the job placement service under the "Indeed" brand almost doubled

despite the COVID-19 pandemic, primarily underpinned by strong recruitment needs in the fields such as medical/nursing care and logistics. However, the volume of recruiting advertisements for full-time employees, part-time workers, and potential registrants for temporary staffing dropped drastically. This was because restaurants and client companies in sales, service, temporary staffing, and other sectors have been affected by COVID-19 related measures such as shortened business hours, business suspension requests, and encouraged teleworking and they considerably reduced the advertisement placement.

Overall, sales of the Recruiting Business decreased 45.2% year-on-year to 464 million yen and operating loss was 139 million yen, compared with operating profit of 198 million yen in the same period of the previous fiscal year.

In the Information Publishing Business, the volume of “Indeed” business remained favorable. However, lifestyle information magazines suffered significant decline in the placement of sales promotion advertisements because our clients such as restaurants, service industries, and beauty sectors faced worsening business climate partly due to the impact of shortened business hours, business suspension requests, and other measures induced by the COVID-19 pandemic. Additionally, the operating performance declined partly because a recovery trend after the lifting of the state of emergency failed to offset decreased advertisement to announce an event in the housing domain.

In the services other than media, the concierge services we operate under the “cocolor” brand enjoyed a surge in the career change domain thanks to successful job placement in April, and became a driving force to enhance the operating performance of the entire concierge services. However, sales from posting services including flyers inserted in lifestyle information magazines were sluggish, impacted by the lowering needs for sales promotion from client companies amid the COVID-19 pandemic.

Overall, sales of the Information Publishing Business decreased 16.3% year-on-year to 417 million yen and operating loss was 1 million yen, compared with operating profit of 41 million yen in the same period of the previous fiscal year.

In the Other Businesses, the IT & Internet-Related Business category hosted a HR-related event, “HR Conference 2020 - Spring edition -,” under the “Nihon no Jinjibu” (Japan’s Human Resources Department) brand in May 2020 in which all the lectures and presentations were switched to online live streaming as a COVID-19 measure, and the event attracted a record number of visitors. In the HR solutions industry, on the back of the COVID-19 pandemic, sales promotion needs decreased mainly in recruiting companies and those providing on-site face-to-face services like group training. Thus, we recorded decreased advertising revenues from our mainstay “Nihon no Jinjibu” portal and other websites. However, HR Vision Co., Ltd. posted flat profit, primarily supported by successful online events.

Kronos Co., LTD., in the learning field, started to offer group training for newly hired IT engineers online to prevent COVID-19 after gaining an understanding of client companies anxious about on-site group training. Furthermore, operating performance remained favorable, backed by new training needs obtained through aggressive proposals for upskilling engineers of client companies which suspended or broke off development projects following the COVID-19 pandemic. In contrast, business environment remained tough in the system development field, partly reflecting the discontinuation or downsizing of ongoing development projects as well as sluggish acquisition of new projects. This was because COVID-19 has hurt business performance and cast a shadow over future prospects, which has forced a rapidly increasing number of companies to reduce IT investments.

In the Overseas Business category, North and Central America (notably in the U.S. and Mexico) were initially enjoying the vigorous recruiting needs as follows: In the U.S., local Japanese companies were looking for full-time Japanese-English bilingual staff, and in Mexico, auto-related manufacturers were requiring full-time employees for interpreters and sales staff. However, with the spread of COVID-19, lockdown and shelter-in-place orders in the U.S. as well as stay-at-home requests and other measures in Mexico slowed down economic activities, and some companies decided to postpone or suspend their recruiting activities, resulting in the rapid decline in recruiting needs. Therefore, the personnel placement business stalled toward the end of the current first quarter. Moreover, the temporary staffing business was also weak partly because of the furlough of the staff who couldn’t respond to teleworking requested by client companies following lockdown or shelter-in-place orders.

As for Asia (notably in China, Vietnam, and Thailand), the personnel placement business in China remained tough from the beginning of the current first quarter. This was because client companies had to severely limit their recruiting activities partly as a result of a forced suspension of business under the COVID-19 pandemic. However, in the personnel and labor consulting service, finely tuned support for business operations and labor management during the COVID-19 pandemic contributed to improving reliability in client companies and cultivating new clients despite struggles against a postponement or freeze of existing projects. In Vietnam, business climate was extremely severe from the middle of the current first quarter due to subdued recruiting activities in the midst of overseas travel restrictions, the temporary suspension of visa issuance, outing restrictions, and other measures. In Thailand where we established a subsidiary in January 2020, it would take time to start full-fledged personnel placement services as, like in other countries, the COVID-19 pandemic forced some companies to freeze their recruiting activities.

In the U.K., domestic personnel placement services shrank due partly to COVID-19 related lockdown and other measures. However, the overall performance of personnel placement businesses remained roughly on par thanks to favorable international personnel placement services supporting career changes to non-U.K. European companies (Cross Border Recruitment services) until after the mid-first quarter this year. Additionally, the temporary staffing business has been solid since the beginning and its business performance was enhanced even though some contracts were terminated following the shift to teleworking amid COVID-19.

The Company's Global Business Division has started to support overseas companies since April 2020 and worked on promoting the international career change supports (Cross Border Recruitment services), attracting more local registrants who want to change careers, and supporting other activities.

Overall, sales of the Other Businesses increased 38.6% year-on-year to 660 million yen and operating profit increased 81.8% year-on-year to 139 million yen.

As a result of these factors, net sales increased 2.2% year-on-year to 6,302 million yen, operating profit increased 0.9% year-on-year to 1,924 million yen, ordinary profit increased 0.7% year-on-year to 1,931 million yen, and profit attributable to owners of parent increased 4.5% year-on-year to 1,378 million yen.

(2) Explanation of Financial Position

Total assets at the end of the first quarter of the fiscal year under review were 14,917 million yen, which was 1,359 million yen more than at the end of the previous fiscal year. This was mainly the result of increases in cash and deposits, and investment securities despite a decrease in notes and accounts receivable-trade.

Total liabilities were 4,339 million yen, which was 244 million yen more than at the end of the previous fiscal year. This was mainly the result of an increase in short-term borrowings despite decreases in accounts payable-trade and provision for bonuses.

Total net assets were 10,578 million yen, which was 1,114 million yen more than at the end of the previous fiscal year. This was mainly the result of an increase in retained earnings due to the booking of profit attributable to owners of parent. Consequently, the shareholders' equity ratio improved 1.1 percentage points from the end of the previous fiscal year to 70.9%.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements

There are many uncertain factors regarding the impact of the spread of COVID-19 on our operating results, making it difficult for us to reasonably calculate the earnings forecast at this point. Therefore, the consolidated earnings forecast for the fiscal year ending March 31, 2021 has not yet been determined. The Company will disclose it promptly when reasonable calculation of earnings forecast becomes available, while closely monitoring the impact of COVID-19 pandemic going forward.

As stated above, the consolidated earnings forecast for the fiscal year endings March 31, 2021 has been undetermined, thus the Company decided to withdraw the dividend forecast and will announce it as soon as the earnings forecast becomes available.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

	(Thousands of yen)	
	FY3/20 (As of Mar. 31, 2020)	First quarter of FY3/21 (As of Jun. 30, 2020)
Assets		
Current assets		
Cash and deposits	7,469,166	9,173,671
Notes and accounts receivable-trade	2,139,732	1,584,537
Other	423,453	322,613
Allowance for doubtful accounts	(2,081)	(2,055)
Total current assets	10,030,271	11,078,767
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	879,320	865,487
Vehicles, net	4,872	2,834
Tools, furniture and fixtures, net	99,880	100,452
Land	276,869	276,869
Leased assets, net	7,360	6,657
Construction in progress	-	11,220
Total property, plant and equipment	1,268,302	1,263,521
Intangible assets		
Software	367,856	397,579
Software in progress	74,851	113,828
Goodwill	74,846	77,707
Other	10,659	10,659
Total intangible assets	528,213	599,774
Investments and other assets		
Investment securities	926,517	1,202,361
Leasehold deposits	656,096	660,676
Deferred tax assets	100,388	68,814
Other	52,152	47,110
Allowance for doubtful accounts	(3,433)	(3,504)
Total investments and other assets	1,731,721	1,975,457
Total non-current assets	3,528,237	3,838,753
Total assets	13,558,509	14,917,520

	(Thousands of yen)	
	FY3/20 (As of Mar. 31, 2020)	First quarter of FY3/21 (As of Jun. 30, 2020)
Liabilities		
Current liabilities		
Accounts payable-trade	492,927	212,483
Short-term borrowings	192,502	1,137,000
Current portion of long-term borrowings	6,000	5,890
Accounts payable-other	838,432	754,689
Accrued expenses	562,217	581,065
Income taxes payable	552,213	427,864
Accrued consumption taxes	349,522	454,285
Provision for bonuses	571,211	147,921
Provision for bonuses for directors (and other officers)	42,000	-
Provision for repayment	20,600	20,200
Other	348,576	271,589
Total current liabilities	3,976,203	4,012,989
Non-current liabilities		
Long-term borrowings	4,500	24,653
Deferred tax liabilities	7,530	195,137
Asset retirement obligations	98,011	98,778
Other	8,262	7,770
Total non-current liabilities	118,304	326,338
Total liabilities	4,094,508	4,339,328
Net assets		
Shareholders' equity		
Share capital	351,317	351,317
Capital surplus	391,392	391,392
Retained earnings	8,194,756	9,139,214
Treasury shares	(16,005)	(16,005)
Total shareholders' equity	8,921,459	9,865,917
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	537,307	727,796
Foreign currency translation adjustment	1,134	(16,669)
Total accumulated other comprehensive income	538,441	711,127
Non-controlling interests	4,099	1,146
Total net assets	9,464,000	10,578,191
Total liabilities and net assets	13,558,509	14,917,520

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income****(For the Three-month Period)**

	(Thousands of yen)	
	First three months of FY3/20 (Apr. 1, 2019 – Jun. 30, 2019)	First three months of FY3/21 (Apr. 1, 2020 – Jun. 30, 2020)
Net sales	6,163,990	6,302,181
Cost of sales	1,804,391	1,873,008
Gross profit	4,359,599	4,429,172
Selling, general and administrative expenses	2,452,526	2,504,872
Operating profit	1,907,072	1,924,299
Non-operating income		
Interest income	138	426
Dividend income	6,531	5,329
Other	4,647	3,032
Total non-operating income	11,316	8,788
Non-operating expenses		
Interest expenses	469	427
Foreign exchange losses	-	642
Other	121	23
Total non-operating expenses	591	1,093
Ordinary profit	1,917,798	1,931,994
Extraordinary income		
Gain on sales of investment securities	14,402	-
Total extraordinary income	14,402	-
Extraordinary losses		
Loss on sales of non-current assets	-	246
Loss on retirement of non-current assets	178	-
Total extraordinary losses	178	246
Profit before income taxes	1,932,023	1,931,747
Income taxes-current	466,599	416,343
Income taxes-deferred	146,929	139,599
Total income taxes	613,528	555,943
Profit	1,318,494	1,375,804
Profit (loss) attributable to non-controlling interests	49	(2,373)
Profit attributable to owners of parent	1,318,445	1,378,178

Quarterly Consolidated Statement of Comprehensive Income
(For the Three-month Period)

	(Thousands of yen)	
	First three months of FY3/20 (Apr. 1, 2019 – Jun. 30, 2019)	First three months of FY3/21 (Apr. 1, 2020 – Jun. 30, 2020)
Profit	1,318,494	1,375,804
Other comprehensive income		
Valuation difference on available-for-sale securities	76,550	190,489
Foreign currency translation adjustment	6,353	(18,382)
Total other comprehensive income	82,904	172,106
Comprehensive income	1,401,399	1,547,911
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,401,317	1,550,864
Comprehensive income attributable to non-controlling interests	81	(2,952)

(3) Notes to Quarterly Consolidated Financial Statements**Going-concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment Information

I. First three months of FY3/20 (Apr. 1, 2019 – Jun. 30, 2019)

1. Information pertaining to net sales and profit/loss in reportable segments

(Thousands of yen)

	Reportable Segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount in the quarterly consolidated statement of income (Note 3)
	Human Resources Services Business	Recruiting Business	Information Publishing Business	Subtotal				
Net sales								
Sales to external customers	4,340,828	847,707	499,063	5,687,600	476,390	6,163,990	-	6,163,990
Inter-segment sales and transfers	2,263	2,980	2,345	7,588	2,474	10,063	(10,063)	-
Total	4,343,092	850,688	501,408	5,695,189	478,864	6,174,053	(10,063)	6,163,990
Segment profit	1,799,289	198,318	41,660	2,039,268	76,727	2,115,995	(208,923)	1,907,072

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

2. The (208,923) thousand yen adjustment to segment profit includes elimination for inter-segment transactions of 55,774 thousand yen, and (264,697) 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.

3. Segment profit is adjusted with operating profit shown on the quarterly consolidated statement of income.

2. Information pertaining to impairment losses of non-current assets, goodwill, etc. in reportable segments

Not applicable.

II. First three months of FY3/21 (Apr. 1, 2020 – Jun. 30, 2020)

1. Information pertaining to net sales and profit/loss in reportable segments

(Thousands of yen)

	Reportable Segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount in the quarterly consolidated statement of income (Note 3)
	Human Resources Services Business	Recruiting Business	Information Publishing Business	Subtotal				
Net sales								
Sales to external customers	4,759,723	464,443	417,654	5,641,821	660,359	6,302,181	-	6,302,181
Inter-segment sales and transfers	2,559	626	1,491	4,678	13,202	17,880	(17,880)	-
Total	4,762,283	465,070	419,146	5,646,500	673,561	6,320,062	(17,880)	6,302,181
Segment profit (loss)	2,136,068	(139,675)	(1,259)	1,995,133	139,506	2,134,640	(210,340)	1,924,299

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

2. The (210,340) thousand yen adjustment to segment profit (loss) includes elimination for inter-segment transactions of 31,163 thousand yen, and (241,504) 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.

3. Segment profit (loss) is adjusted with operating profit shown on the quarterly consolidated statement of income.

2. Information pertaining to impairment losses of non-current assets, goodwill, etc. in reportable segments

Not applicable.

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.