QUICK CO.,LTD.

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2021

[Japanese GAAP]

April 28, 2021

Company name: QUICK CO., LTD. Listing: First Section, Tokyo Stock Exchange
Stock code: 4318 URL: https://919.jp/
Representative: Tsutomu Wano, Chairman
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Scheduled date of Annual General Meeting of Shareholders: June 22, 2021
Scheduled date of filing of Annual Securities Report: June 22, 2021
Scheduled date of payment of dividend: June 23, 2021
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, 2021 (April 1, 2020 – March 31, 2021)

(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, 2021	20,089	(4.5)	1,867	(36.3)	2,124	(29.4)	1,464	(29.4)
Fiscal year ended Mar. 31, 2020	21,035	9.7	2,930	13.5	3,009	6.8	2,074	5.5

Note: Comprehensive income (millions of yen) Fiscal year ended Mar. 31, 2021: 2,003 (up 2.6%)
Fiscal year ended Mar. 31, 2020: 1,952 (down 3.6%)

	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, 2021	77.73	-	14.5	14.8	9.3
Fiscal year ended Mar. 31, 2020	110.05	-	23.3	23.0	13.9

Reference: Equity in earnings of affiliates (millions of yen): Fiscal year ended Mar. 31, 2021: - Fiscal year ended Mar. 31, 2020: -

(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, 2021	15,103	10,694	70.8	567.62
As of Mar. 31, 2020	13,558	9,464	69.8	502.19

Reference: Shareholders' equity (millions of yen) As of Mar. 31, 2021: 10,692 As of Mar. 31, 2020: 9,459

(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, 2021	1,843	(471)	(677)	8,097
Fiscal year ended Mar. 31, 2020	2,463	(392)	(990)	7,415

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, 2020	-	22.00	-	23.00	45.00	848	40.9	9.5
Fiscal year ending Mar. 31, 2021	-	18.00	-	26.00	44.00	829	56.6	8.2
Fiscal year ending Mar. 31, 2022 (forecasts)	-	20.00	-	20.00	40.00		44.2	

Breakdown of 2Q-end dividend for the fiscal year ended Mar. 31, 2021: Ordinary dividend: 12.00 yen; Commemorative dividend: 6.00 yen

Breakdown of year-end dividend for the fiscal year ended Mar. 31, 2021: Ordinary dividend: 20.00 yen; Commemorative dividend: 6.00 yen

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 – March 31, 2022)

(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	11,457	8.6	2,287	20.0	2,294	12.9	1,584	11.3	84.09
Full year	21,400	6.5	2,486	33.1	2,500	17.7	1,706	16.5	90.56

*** 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) 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, 2021:	19,098,576 shares	As of Mar. 31, 2020:	19,098,576 shares

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

As of Mar. 31, 2021:	261,173 shares	As of Mar. 31, 2020:	261,173 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2021:	18,837,403 shares	Fiscal year ended Mar. 31, 2020:	18,847,403 shares

Reference: Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(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, 2021	12,929	(6.0)	1,352	(39.8)	1,795	(33.0)	1,286	(30.0)
Fiscal year ended Mar. 31, 2020	13,760	9.2	2,246	14.9	2,680	19.0	1,837	12.5

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2021	68.23	-
Fiscal year ended Mar. 31, 2020	97.46	-

(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, 2021	12,233	9,458	77.3	501.55
As of Mar. 31, 2020	11,074	8,389	75.7	444.87

Reference: Shareholders' equity (millions of yen): As of Mar. 31, 2021: 9,458 As of Mar. 31, 2020: 8,389

* 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, 2021 ("the fiscal year under review"), consumer and corporate activities in Japan were severely restricted by a series of constraints such as the state of emergency declaration in April 2020 in response to the spread of COVID-19 infections, the second wave from July, the third wave or a resurgence of infections towards the end of 2020 and the second state of emergency declaration in January 2021.

Under such circumstances, in Japan's labor market, the seasonally adjusted job openings-to-applicants ratio was 1.09 and the seasonally adjusted unemployment rate was 2.9% in February 2021, showing a moderate recovery trend after bottoming out in October 2020. However, despite the expectation that vaccination started in February 2021 will curb the spread of infections, the outlook of the Japanese economy and the employment situation remains extremely unpredictable amid lingering concerns about a fourth wave of COVID-19 infections and the like.

To promote and expand business in order to fulfill its corporate social responsibility in 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.

Net sales decreased 4.5% year-on-year to 20,089 million yen, operating profit decreased 36.3% year-on-year to 1,867 million yen, ordinary profit decreased 29.4% year-on-year to 2,124 million yen, and profit attributable to owners of parent decreased 29.4% year-on-year to 1,464 million yen.

From the fiscal year under review, the IT & Internet-Related Business and the Overseas Business that were included in "Other" in the segment information are shown independently as reportable segments. Accordingly, the segment information for the previous fiscal year are reported based on the reportable segment categories after the revision.

Performance of the business segments (reportable segments) is described as follows.

(Human Resources Services Business)

1) Personnel Placement

In the personnel placement category, some of our client companies initially showed a weaker appetite for recruiting, and suspended or delayed their hiring activities partly due to the impacts of the spread of COVID-19 infections. On the other hand, the semiconductor industry continues to show a vigorous recruiting needs and, an increasing number of companies in other business areas also has started hiring activities. In addition, as the prolonged pandemic have overwhelmed the medical system, the demand for recruiting nurses has been increasing again. Given this business environment, the personnel placement business for professionals and technical staff to general companies almost leveled off, the placements of nurses remained solid, while the placement of childcare professionals expanded favorably. Those were the major results of our efforts including focusing on selected categories, restructuring of our sales structure and providing an extensive support of having more meetings with our client companies and registrants who wish to change careers.

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

In the temporary staffing, temporary-to-permanent staffing and business contracting categories, despite the initial impact like temporary closure of medical facilities and voluntary or mandatory absence from work of temporary staff, the performance of the temporary staffing of nurses was enhanced backed by our endeavor to promote extension of the existing contracts, cultivate new clients and have more meetings with our registrants. The temporary staffing of childcare workers also remained firm as we redesigned "Hoitomo," our dedicated registration website for childcare professionals, enhanced promotional activities to attract new registrants, expanded the service area to the Kobe region and provided a thorough support to existing registrants. Meanwhile, the temporary staffing in other fields continued to be tough in the categories except those including IT and

Internet jobs.

Overall, sales of the Human Resources Service Business increased 0.3% year-on-year to 13,258 million yen and operating profit decreased 10.9% year-on-year to 2,215 million yen.

(Recruiting Business)

In the Recruiting Business, the new college graduate category saw a continuous improvement in the volume of advertisements in our internship websites for March 2022 new college graduates as client companies resumed recruiting activities. However, the volume of recruiting advertisements targeting new college graduates, for which we started marketing in February 2021, was stagnant partly due to more stringent competition among peer recruiting media. Additionally, the handling of new graduate recruiting events remained severe because many of these events were canceled to prevent the spread of COVID-19 infections.

On the other hand, in the mid-career hiring domain, primarily underpinned by strong recruitment needs in the fields such as medical/nursing care and logistics, the volume of "Indeed" business remained favorable and the volume of recruiting advertisements for full-time employees, part-time workers and potential registrants for temporary staffing showed a continuous improvement. However, since the reissuance of the state of emergency declaration in January 2021, the business climate of restaurant operators, service industries and the like has worsened, leading to diminishing hiring demand. Therefore, it will take some more time for a full-fledged recovery.

Services other than the handling of recruiting advertisement posted better operating performance. This was because we supported recruiting activities of client companies mainly by offering a consultation on new graduate recruiting strategy in the COVID-19 pandemic, proposing online internship programs and building recruitment websites.

Overall, sales of the Recruiting Business decreased 23.4% year-on-year to 2,862 million yen and operating profit decreased 79.1% year-on-year to 188 million yen.

(Information Publishing Business)

The performance of the Information Publishing Business improved thanks to a successful bumper issue of our mainstay lifestyle information magazines distributed in Kanazawa and Toyama and the enhanced handling of seasonal advertising focusing on housing events and others. Such improvement was achieved in the situation that the sales promotion sentiment of our client companies, which had been gradually regaining, turned into decline partly due to the suspension of the Go To Travel campaign, a Japanese government-led tourism demand stimulus measure, following the rise in COVID-19 cases, and heavy snow in the Hokuriku region in January 2021.

Additionally, although posting services including flyers distributed to households with lifestyle information magazines were affected by heavy snow, seasonal flyers advertising housing and schools helped the performance recover to almost flat, and the volume of "Indeed" business remained favorable. Furthermore, the concierge services we operate under the "cococolor" brand performed well, attributing to the successful enhancement of career change support service targeting IT-related jobs in the career change domain. "Cococolor tenshoku" became a driving force to enhance the operating performance of the entire concierge services.

Overall, sales of the Information Publishing Business decreased 7.5% year-on-year to 1,935 million yen and operating profit also decreased 54.2% year-on-year to 90 million yen.

(IT and Internet-Related Business)

In the IT & Internet-Related Business category, "Nihon no Jinjibu (Japan's Human Resources Department)," a total information site pertaining to personnel and labor maintained solid advertisement revenues, resulting in earnings increase. Although business conditions of recruiting and human resources development-related companies that consist our main customer base remained severe, considerable number of corporations showed aggressive attitude toward online sales promotions, which led to the volume increase of e-mail marketing that targeted the members of "Nihon no Jinjibu." Furthermore, the online event, "Nihon no Jinjibu HR Conference" for human resources professionals held in May and November 2020, enjoyed an increase in the number of exhibitors and hit a record high in annual visitor number.

In the system development field, while facing a series of postponement and cancellation of development projects that was impacted by the third wave of the COVID-19 pandemic, the performance continued to improve as a result of focusing on receiving orders for additional development of the existing projects as well as new AI-related projects, in addition to grasping the needs of the current customers. In the learning field also, the COVID-19 pandemic has discouraged many companies, due to concerns over deterioration of performance outlook, from investing in IT-related trainings, and there has been increasing number of companies that postponed holding on-site group trainings in consideration of infection spread risk. Under these circumstances, the company continued its steady growth through holding seminars related to AI and DX, as well as focusing on receiving orders for individual trainings for new employees that comprises new graduates and those hired through mid-carrier recruitment, in addition to stepping up sales efforts focusing on major companies.

Overall, sales of the IT and Internet-Related Business increased 27.7% year-on-year to 1,268 million yen and operating profit also increased 52.5% year-on-year to 300 million yen.

(Overseas Business)

In the Overseas Business, North and Central America (notably in the U.S. and Mexico), both personnel placement business and temporary staffing business improved the results amid continuing corporations' cautious attitude toward hiring and intensifying competition with the competitors in the U.S. This was thanks to the holding of online seminars to cultivate new customers as well as to support existing customers, sales promotions that were driven by coordination between locations in New York and Los Angeles. In Mexico, personnel placement had improved results, grasping hiring needs of manufacturing companies that started to increase from the fourth quarter. It was toward salespeople and technical staff in order to recover the production volume and corporate performance that were deteriorated under the COVID-19 pandemic.

In Asia (notably in China, Vietnam, and Thailand), the personnel placement business in China remained almost flat. This was thanks to our strengthened sales activities focusing on boosting hiring needs of existing customers while economic outlook in Autumn onward became sluggish due to resurgence of the COVID-19 infection that made corporations' hiring appetite weaker. Personnel and labor consulting also stayed almost flat thanks to grabbing needs for support services during absence of Japanese expatriates as well as employee training and the like. In Vietnam, impacted by overseas travel restrictions under the COVID-19, personnel placement of Japanese staff kept undergoing tough situation, while that for Vietnamese was favorable mainly for IT, food, furniture sales and real estate industries having vigorous recruiting needs even under COVID-19 pandemic. Also in Thailand, while tough environment continued where there has been no drastic change in quite selective hiring attitude at our mainstay, local Japanese companies, we worked on reinforcing sales activities for personnel placement business targeting Chinese and Taiwanese companies that remain proactive in investment activities amidst the COVID-19 pandemic.

In the U.K., domestic personnel placement services as well as temporary staffing services showed recovery trend. While employment situation remained severe that was affected by the lockdowns as a result of infection spread of COVID-19, some companies started to consider hiring talented personnel who were obliged to be unemployed toward end of 2020. In addition, international personnel placement services supporting career changes to non-U.K. European companies (Cross Border Recruitment services), remained favorable.

The Company's Global Business Division gave sales supports to overseas companies 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 decreased 23.3% year-on-year to 764 million yen and operating loss was 108 million yen, compared with a loss of 18 million yen in the previous fiscal year.

(2) Financial Position

Assets

Total assets at the end of the fiscal year under review increased 11.4%, or 1,544 million yen, year-on-year to 15,103 million yen. This was mainly the result of increases in cash and deposits and investment securities despite a decrease in notes and accounts receivable-trade.

Liabilities

Total liabilities at the end of the fiscal year under review increased 7.7%, or 313 million yen, year-on-year to 4,408 million yen. This was mainly the result of increases in accounts payable-other and deferred tax liabilities despite a decrease in income taxes payable.

Net assets

Total net assets at the end of the fiscal year under review increased 13.0%, or 1,230 million yen, year-on-year to 10,694 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 improved 1.0 percentage points from the end of the previous fiscal year to 70.8%.

(3) Cash Flows

Cash and cash equivalents (hereinafter "net cash") increased 682 million yen from the end of the previous fiscal year to 8,097 million yen at the end of the fiscal year under review. Outflows included income taxes paid and 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 decreased 25.2% year-on-year to 1,843 million yen. Negative factors include income taxes paid of 905 million yen. Positive factors include profit before income taxes of 2,118 million yen.

Cash flows from investing activities

Net cash used in investing activities increased 20.1% year-on-year to 471 million yen. Negative factors include purchase of property, plant and equipment and intangible assets of 477 million yen.

Cash flows from financing activities

Net cash used in financing activities decreased 31.6% year-on-year to 677 million yen. Negative factors include dividends paid of 769 million yen. Positive factors include short-term borrowings of 107 million yen.

(4) Outlook

Going forward, the recovery of Japanese economy is expected in view that the spread of COVID-19 infection will be gradually settled down thanks to start of vaccination. While there still remains risks that can drive down the economy, such as infection resurgence in association with emergence of new variants as well as intensification of the trade friction between the U.S. and China, we need to be continuously cautious about the future of the Japanese economy.

As for employment circumstance, corporations and other organizations that suspended or cancelled their hiring activities due to the COVID-19 pandemic are anticipated to resume hiring activities with expectation for its convergence, primarily driven by vaccination. In addition, recruitment needs are expected to recover in a wide range of sectors, as some companies have started to hire highly specialized human resources such as IT-professionals as well as those who can be industry-ready, in order to enhance competitiveness even under the COVID-19 pandemic.

In the Human Resources Services Business, we will expand the service area and adopt other measures to further strengthen operations in the existing domains of personnel placement, such as personnel placement targeting general companies in the construction and civil engineering, pharmaceutical, manufacturing and other business sectors, and the placement of nurses. We will also develop a new category of job placements for specialists, in which recruiting needs are strong or less affected by changes in economic conditions. In addition, we aim to increase the number of registrants and boost productivity by enriching the contents on, improving the usability of and conducting effective promotional activities for the websites, including "Kango-roo!," we operate.

In the temporary staffing, temporary-to-permanent staffing and business contracting categories, we will strengthen activities involving the medical and welfare sectors that are generally less affected by changes in economic conditions and have strong recruiting needs. We aim to enhance operating performance by attracting registrants for the temporary staffing of nurses based on our expertise and brand power cultivated in placements of nurses, having frequent meetings with our registrants and supporting young registrants to exert their talent and skills early on. Furthermore, we will attract more registrants by increasing job postings on and improving the content of the dedicated website named “Hoitomo” for childcare temporary staffing while developing new customers in Kobe, our new priority area, as well as promoting brand penetration. We are also ready for the temporary placement of workers for IT-related jobs to support governmental and educational institutions in providing remote services amid the COVID-19 pandemic.

In the Recruiting Business, it will take some more time to return to the pre-pandemic level even though corporate recruiting needs have been on a recovery track. In such an environment, we will strive to review our sales structure to cultivate a new customer base and increase sales with an inside sales approach, as well as to elevate productivity by leveraging “Q-mate,” our integrated job posting management system. Further, we aim to turn around operating performance through strengthened consulting sales activities with high added value by providing one-stop support services ranging from establishing a new graduate recruiting strategy to following up on how to train and retain new employees in response to recruiting challenges our client companies are facing.

In the Information Publishing Business, as business confidence has been improving, we are expecting a moderate recovery in sentiment toward advertisement placements for sales promotion, event advertising and recruitment purposes. However, it is highly likely that the demand for advertisement placement from our main customer base including restaurants and small and medium-sized shops will be slower to pick up. In such a situation, we will enhance sales activities of lifestyle information magazines in sectors with higher sales promotion needs despite the pandemic while increasing the effectiveness of advertisements and building a new earnings structure by proposing a linkage of paper media with web services. In the posting business, we will build a stronger foundation for business operations by cultivating new customers from outside the Hokuriku region through web promotions and increasing posting staff. Furthermore, in concierge (face-to-face consultation) services, we will expand priority sectors and service area in the career change domain to achieve a recovery.

In the IT & Internet-Related Business category, we will keep working on cultivating new customers in IT and SaaS-related fields as well as employee training field, aiming at increasing the number of exhibitors to “Nihon no Jinjibu HR Conference” for human resources professionals, which has been successful in shifting to online-based one under COVID-19 pandemic as well as enriching the contents on the websites. Furthermore, for “Nihon no Jinjibu,” a total information site pertaining to personnel and labor, we will aim to enhance further penetration of “Nihon no Jinjibu” brand and expansion of user base through diversification of service on website, by enriching contents primarily in an interview article, in addition to promotion of matching service that aims for solution of HR issues in “Nihon no Jinjibu.”

Meanwhile, in the system development field we will aim to further expand domains for the development, accumulate more expertise and increase operational efficiency by focusing on hiring engineers and training current employees, in addition to increasing AI and data utilization related development projects where we have track record and expertise as well as promoting an approach to receive orders for similar development projects to those that we were engaged in in the past and we have knowhow for such developments. In the learning field we will work on achieving stable performance for the whole year by differentiating ourselves from the competitors, through enriching training line-up such as adding those for the students who are to join the company and those aiming at acquiring a qualification, as well as providing those for new technologies on the trend such as AI, data utilization and DX related ones, in addition to implementing hybrid type training by making use of know-how we have accumulated through online and face-to-face group trainings conducted during the period of COVID-19 pandemic.

In the Overseas Business, corporate activities and cross-border traveling are still restricted in many countries due to the COVID-19 pandemic, and therefore, corporate recruiting needs are shifting from hiring experienced staff from overseas to hiring local staff with equivalent skill. Given such circumstance, we will focus on acquiring more local registrants, strengthen personnel placement, temporary staffing and personnel and labor consulting in each country, and aim to establish ourselves as a partner that helps resolve human resources issues at client companies, eventually recovering our earnings base. We will also focus on resuming 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 21,400 million yen (up 6.5% year-on-year), operating profit of 2,486 million yen (up 33.1%), ordinary profit of 2,500 million yen (up 17.7%), and profit attributable to owners of parent of 1,706 million yen (up 16.5%) for the fiscal year ending March 31, 2022.

Although net sales of the next period will decrease because of the change in recording method of net sales for selected services with the application of “Accounting Standard for Revenue Recognition” as of the beginning of the fiscal year ending March 31, 2022, compared to the net sales of the current period, which is recorded under the accounting standard before the change, there will be no impact to the earnings.

(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.

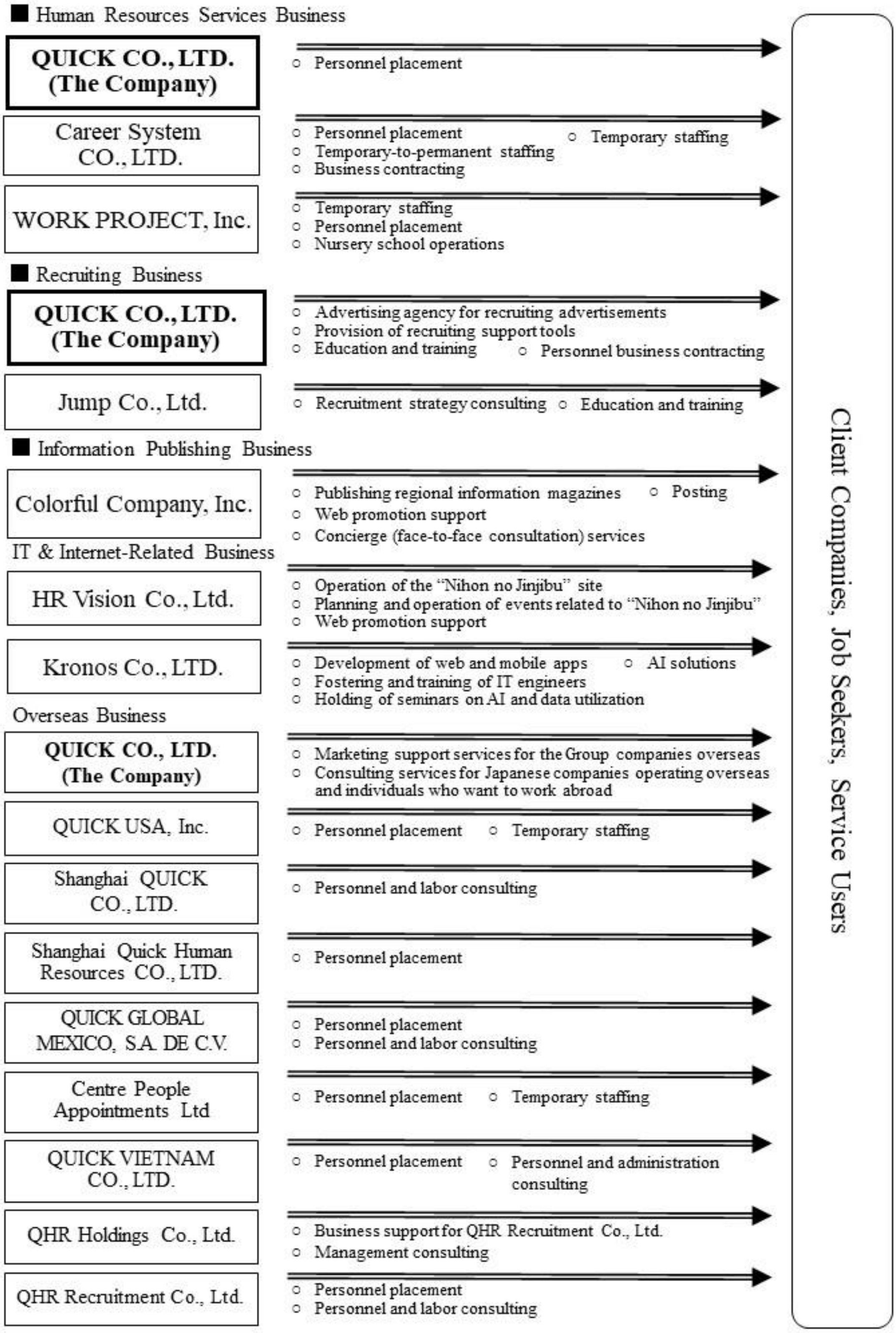
Along with this dividend policy, we include commemorative dividend for the company’s 40th anniversary which is announced in “Announcement of Commemorative Dividend for the Company’s 40th Anniversary” released on October 12, 2020 (Japanese version only) and plan to pay an annual dividend of 44 yen per share, consisting of a dividend of 18 yen at the end of the second quarter (ordinary dividend of 12 yen and commemorative dividend of 6 yen) and 26 yen at the fiscal year-end (ordinary dividend of 20 yen and commemorative dividend of 6 yen).

For the fiscal year ending March 31, 2022, we forecast an annual dividend of 40 yen per share, consisting of a dividend of 20 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 (QUICK CO., LTD. and its affiliated companies) consists of QUICK CO., LTD. (the Company) and 14 consolidated subsidiaries. Business operations are 1) Human Resources Services Business, 2) Recruiting Business, 3) Information Publishing Business, 4) IT & Internet-Related Business and 5) Overseas Business.

A flowchart of the Group’s business operations is as follows.



Note: All of the above 14 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's businesses are as described in "2. Corporate Group." In each of these businesses, the Group will strengthen operations in order to respond swiftly to market needs, including those of client companies and job seekers, and also build up our sales structure. Furthermore, the Group will strive to enhance management efficiencies through synergistic effects enabled by information sharing and cooperation within the Group.

(2) Performance Targets

While 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 within the Group. While economic outlook remains uncertain due to the COVID-19 pandemic, we continue to work on expanding scale of its operations and realizing profit-oriented organization. In order to attain stable growth and build a robust financial foundation, the Group also 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, IT & Internet-Related Business and Overseas Business.

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 aim at realizing the concept of the "Sekai no Jinjibu (Human Resources Department for the world)," through which we develop global human resources services, by strengthening cooperation between our overseas companies and businesses in Japan as well as cultivating the market for international career change supports (Cross Border Recruitment services), in order to drive our Overseas Business forward.

(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 Japan's structural labor shortage caused by the country's falling birthrate and aging population. We take proactive stance 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 focus more on M&As and hiring and training of outstanding people to promote these goals, thereby enabling the QUICK Group to grow even faster.

The issues in individual business segments are outlined below.

(Human Resources Services Business)

1) Personnel placement

In the personnel placement category 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. Furthermore, as an increasing number of companies are more careful in recruiting on the back of the COVID-19 pandemic, we are required to deliver a higher quality service in terms of proposal of human resources and responsiveness. To succeed, we are renewing our websites with more contents available online to make them more useful and conducting effective promotional activities. By using a variety of actions, we will increase the brand power of all our websites and attract more people to register for job placements. In other moves to become more competitive as an organization, this business will find new domains of job placements for specialists, expand the service area, elicit the strengths of young employees early on with more substantial personnel training and provide consulting services with higher quality.

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

In the temporary staffing, temporary-to-permanent staffing, business contracting categories, although there remains strong demand for human resources, such as nurses and childcare workers, from our priority medical and welfare sectors, the demand is slowing down compared to that of the pre-pandemic period. 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 “Medicare Career” targeting temporary workers in the medical and welfare sectors and “Hoitomo” targeting temporary childcare workers so that both websites can draw more people to them with enhanced brand power, while working on expanding the market penetration of temporary staffing services in coordination with the personnel placement business for nurses. Furthermore, in order to improve productivity, we will have frequent meetings with such registrants to increase the number of people finding a temporary staffing job, and focus on the development of young talents.

(Recruiting Business)

In the Recruiting Business, the competitive environment for the handling of recruiting advertisements is being intensified due to diversified hiring methods, including aggregation-type (search engine type collecting specific information from multiple websites) or contingent fee-based recruiting ad services and personnel placements, in addition to a more intensified competition for media that the Company handles. Additionally, it will take some more time to return to the situation before the COVID-19 pandemic even though corporate recruiting needs have been on a recovery track. Under these circumstances, we will offer timely proposals on recruiting advertisement to existing customers and develop new customers by driving market penetration of “Q-mate,” our original job posting management system that collectively identifies the recruiting needs of client companies. Meanwhile, we will pursue to strengthen consulting services targeting other than recruiting ads to help our client companies succeed in their recruiting activities. These services include proposals on the optimal recruiting methods, process and branding, the production of recruiting tools, and competitive analysis along with such proposals.

(Information Publishing Business)

The Information Publishing Business is facing a decreasing trend in placing advertisements in information magazines as, against a backdrop of the recent development of website advertisement, advertising techniques have been shifting from paper media to web media in both the sales promotion and recruitment domains. Furthermore, it will take some more time for the demand for advertisement placement from our main customer base of lifestyle information magazines including restaurants and small stores to return to the pre-pandemic level. To address such circumstances, we will reorganize existing publications while boosting sales activities for media services by targeting supermarkets, drug stores and other businesses less prone to the impact of the pandemic. At the same time, web services will be enhanced to deal with the increasing web promotion needs of client companies. Specifically, we will develop and increase sales of our own web media, as well as step up our sales efforts to take orders for refurbishment of customers’ websites and website advertising support services. Furthermore, we will improve our sales mix, which is highly dependent on media services including lifestyle information magazines, by expanding the service area of concierge (face-to-face consultation) services.

(IT & Internet-Related Business)

In the IT & Internet-Related Business category, amid the circumstance where convergence of the COVID-19 pandemic can hardly be foreseen, we anticipate that from next fiscal year, our competitors will try to follow the business model of “Nihon no Jinjibu HR Conference” for human resources professionals, for which conversion into online-based services was successful this year. In response to such moves, we will further reinforce the sales force and attract more visitors, by making use of our successful experience in on-line systematization that was achieved even in the first year of the COVID-19 pandemic. By continuously increasing the number of the exhibiters and visitors, we will work on establishing and further enhancing the brand of “Nihon no Jinjibu HR Conference” as an online HR-related event.

In the system development field and the learning field amid growing demand for hiring IT professionals and increased their market value due to increasing data usage and DX promotion by corporations, our challenges are to attract and retain more development engineers engaged in system development, and create new customers for further expanding business performance. In response to such circumstances, in addition to reinforcing hiring of engineers, we will improve inhouse systems, such as providing career development support for engineers and tuning up the appraisal system. Furthermore, while enhancing operational efficiency to reduce workload by promoting an approach to receive orders for similar development projects to those that we were engaged in in the past and we have expertise for such developments, and by working on receiving orders for the development projects that require latest technology, we will aim to encourage our engineers’ growth and help them achieve job satisfaction, which will eventually lead to their retention. In the learning field by adopting flexible approach like providing training programs that can be adjusted according to customers’ requirement, such as hybrid type training, making use of expertise we have accumulated through online-based training programs and seminars as well as traditional face-to-face group trainings for corporate customers that were developed in consideration for COVID-19. Through these initiatives, we will strive to grab the current customers and cultivate new customers.

(Overseas Business)

In the Overseas Business, as passage from abroad is restricted due to the COVID-19 pandemic in many countries, recruiting needs at the operations of Japanese companies are shifting from hiring experienced staff from overseas, primarily Japanese staff, to hiring experienced staff locally. Given such circumstance, we are focusing on acquiring more local registrants who wish to change careers through renewal of the contents on the websites we operate, utilizing headhunting services and holding online seminars.

Furthermore, in the U.K., tough employment situation is anticipated to continue due to heavy constraints on business activities associated with repeated lockdowns as well as prolonged COVID-19 pandemic. To address this situation, we will accelerate our efforts in stepping up our approach to Japanese firms in European countries, attracting registrants, and establish a stronger business base of providing the international career change supports (Cross Border Recruitment services) to European companies, as the third core business that will follow personnel placement and temporary staffing businesses in the U.K.

In Shanghai and Thailand, we will aim to restructure the business systems by advancing staff hiring and employee training that have been stalled because of the COVID-19 outbreak since establishment of subsidiaries.

In addition, the Company’s Global Business Division will take a central role in supporting 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 overseas group companies 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)

	FY3/20 (As of Mar. 31, 2020)	FY3/21 (As of Mar. 31, 2021)
Assets		
Current assets		
Cash and deposits	7,469,166	8,151,779
Notes and accounts receivable-trade	2,139,732	1,989,492
Other	423,453	324,936
Allowance for doubtful accounts	(2,081)	(2,397)
Total current assets	10,030,271	10,463,810
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,634,193	1,645,899
Accumulated depreciation	(754,873)	(810,893)
Buildings and structures, net	879,320	835,006
Vehicles	10,684	5,878
Accumulated depreciation	(5,811)	(3,636)
Vehicles, net	4,872	2,242
Tools, furniture and fixtures	273,954	305,022
Accumulated depreciation	(174,074)	(205,863)
Tools, furniture and fixtures, net	99,880	99,159
Land	276,869	276,869
Leased assets	15,150	13,906
Accumulated depreciation	(7,789)	(5,662)
Leased assets, net	7,360	8,244
Total property, plant and equipment	1,268,302	1,221,521
Intangible assets		
Software	367,856	629,824
Software in progress	74,851	127,079
Goodwill	74,846	69,517
Other	10,659	10,659
Total intangible assets	528,213	837,080
Investments and other assets		
Investment securities	926,517	1,732,291
Leasehold deposits	656,096	685,835
Deferred tax assets	100,388	104,651
Other	52,152	62,336
Allowance for doubtful accounts	(3,433)	(4,318)
Total investments and other assets	1,731,721	2,580,796
Total non-current assets	3,528,237	4,639,398
Total assets	13,558,509	15,103,209

(Thousands of yen)

	FY3/20 (As of Mar. 31, 2020)	FY3/21 (As of Mar. 31, 2021)
Liabilities		
Current liabilities		
Accounts payable-trade	492,927	492,089
Short-term borrowings	192,502	299,957
Accounts payable-other	838,432	1,088,965
Accrued expenses	562,217	544,457
Lease obligations	2,825	2,552
Income taxes payable	552,213	331,134
Accrued consumption taxes	349,522	284,294
Provision for bonuses	571,211	594,263
Provision for bonuses for directors (and other officers)	42,000	35,310
Provision for repayment	20,600	20,000
Asset retirement obligations	-	570
Other	351,751	385,890
Total current liabilities	3,976,203	4,079,486
Non-current liabilities		
Lease obligations	4,803	5,950
Deferred tax liabilities	7,530	213,620
Asset retirement obligations	98,011	98,856
Other	7,959	10,591
Total non-current liabilities	118,304	329,018
Total liabilities	4,094,508	4,408,504
Net assets		
Shareholders’ equity		
Share capital	351,317	351,317
Capital surplus	391,392	391,392
Retained earnings	8,194,756	8,886,571
Treasury shares	(16,005)	(16,005)
Total shareholders’ equity	8,921,459	9,613,275
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	537,307	1,092,767
Foreign currency translation adjustment	1,134	(13,579)
Total accumulated other comprehensive income	538,441	1,079,188
Non-controlling interests	4,099	2,241
Total net assets	9,464,000	10,694,705
Total liabilities and net assets	13,558,509	15,103,209

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)	FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)
Net sales	21,035,714	20,089,754
Cost of sales	8,115,876	8,077,044
Gross profit	12,919,837	12,012,710
Selling, general and administrative expenses	9,989,245	10,145,526
Operating profit	2,930,592	1,867,184
Non-operating income		
Interest income	1,031	1,744
Dividend income	12,391	9,067
Sale cooperation fee	46,000	-
Subsidy income	-	231,456
Other	27,901	23,999
Total non-operating income	87,324	266,268
Non-operating expenses		
Interest expenses	2,222	4,638
Foreign exchange losses	4,626	4,528
Commission expenses	730	-
Other	383	100
Total non-operating expenses	7,962	9,266
Ordinary profit	3,009,953	2,124,185
Extraordinary income		
Gain on sale of non-current assets	-	1,785
Gain on sale of investment securities	63,338	-
Gain on step acquisitions	14,025	-
Total extraordinary income	77,363	1,785
Extraordinary losses		
Loss on sale of non-current assets	-	229
Loss on retirement of non-current assets	12,965	55
Impairment losses	60,114	-
Office relocation expenses	-	7,569
Total extraordinary losses	73,080	7,854
Profit before income taxes	3,014,237	2,118,116
Income taxes-current	968,788	695,105
Income taxes-deferred	(29,466)	(38,680)
Total income taxes	939,322	656,424
Profit	2,074,914	1,461,691
Profit (loss) attributable to non-controlling interests	777	(2,456)
Profit attributable to owners of parent	2,074,137	1,464,148

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)	FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)
Profit	2,074,914	1,461,691
Other comprehensive income		
Valuation difference on available-for-sale securities	(124,299)	555,460
Foreign currency translation adjustment	1,910	(14,114)
Total other comprehensive income	(122,388)	541,345
Comprehensive income	1,952,526	2,003,037
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,951,679	2,004,895
Comprehensive income attributable to non-controlling interests	846	(1,857)

(3) Consolidated Statement of Changes in Equity

FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	351,317	391,392	6,968,762	(14,965)	7,696,505
Changes during period					
Dividends of surplus			(848,143)		(848,143)
Profit attributable to owners of parent			2,074,137		2,074,137
Purchase of treasury shares				(1,040)	(1,040)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,225,993	(1,040)	1,224,953
Balance at end of period	351,317	391,392	8,194,756	(16,005)	8,921,459

	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 period	661,606	(707)	660,899	1,401	8,358,806
Changes during period					
Dividends of surplus					(848,143)
Profit attributable to owners of parent					2,074,137
Purchase of treasury shares					(1,040)
Net changes in items other than shareholders' equity	(124,299)	1,841	(122,457)	2,698	(119,759)
Total changes during period	(124,299)	1,841	(122,457)	2,698	1,105,194
Balance at end of period	537,307	1,134	538,441	4,099	9,464,000

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	351,317	391,392	8,194,756	(16,005)	8,921,459
Changes during period					
Dividends of surplus			(772,333)		(772,333)
Profit attributable to owners of parent			1,464,148		1,464,148
Purchase of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	691,815	-	691,815
Balance at end of period	351,317	391,392	8,886,571	(16,005)	9,613,275

	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 period	537,307	1,134	538,441	4,099	9,464,000
Changes during period					
Dividends of surplus					(772,333)
Profit attributable to owners of parent					1,464,148
Purchase of treasury shares					-
Net changes in items other than shareholders' equity	555,460	(14,713)	540,746	(1,857)	538,889
Total changes during period	555,460	(14,713)	540,746	(1,857)	1,230,704
Balance at end of period	1,092,767	(13,579)	1,079,188	2,241	10,694,705

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)	FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)
Cash flows from operating activities		
Profit before income taxes	3,014,237	2,118,116
Depreciation	179,124	219,661
Impairment losses	60,114	-
Amortization of goodwill	12,929	13,254
Increase (decrease) in allowance for doubtful accounts	(340)	1,189
Increase (decrease) in provision for bonuses	82,888	22,981
Increase (decrease) in provision for bonuses for directors (and other officers)	(20,450)	(6,690)
Increase (decrease) in provision for repayment	2,400	(600)
Interest and dividend income	(13,422)	(10,811)
Interest expenses	2,222	4,638
Gain on sale of non-current assets	-	(1,785)
Loss on sale of non-current assets	-	229
Loss on retirement of non-current assets	12,965	55
Loss (gain) on sale of investment securities	(63,338)	-
Loss (gain) on step acquisitions	(14,025)	-
Relocation expenses	-	7,569
Decrease (increase) in trade receivables	147,293	174,003
Increase (decrease) in trade payables	(39,686)	48,060
Decrease (increase) in leasehold and guarantee deposits	(13,225)	(29,664)
Increase (decrease) in accrued consumption taxes	44,986	(66,108)
Other, net	148,337	248,366
Subtotal	3,543,011	2,742,465
Interest and dividends received	13,422	10,812
Interest paid	(2,213)	(4,662)
Income taxes paid	(1,090,516)	(905,499)
Net cash provided by (used in) operating activities	2,463,704	1,843,116
Cash flows from investing activities		
Net decrease (increase) in time deposits	(23,883)	(1,374)
Purchase of property, plant and equipment	(261,138)	(59,635)
Proceeds from sale of property, plant and equipment	-	1,777
Purchase of intangible assets	(284,953)	(418,219)
Purchase of investment securities	(5,686)	(5,632)
Proceeds from sale of investment securities	112,265	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	75,900	11,362
Other, net	(5,000)	204
Net cash provided by (used in) investing activities	(392,496)	(471,518)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,600	107,455
Repayments of long-term borrowings	(141,645)	(12,255)
Repayments of lease obligations	(3,810)	(3,115)
Dividends paid	(847,399)	(769,744)
Net cash provided by (used in) financing activities	(990,254)	(677,659)
Effect of exchange rate change on cash and cash equivalents	(183)	(11,528)
Net increase (decrease) in cash and cash equivalents	1,080,769	682,409
Cash and cash equivalents at beginning of period	6,334,521	7,415,291
Cash and cash equivalents at end of period	7,415,291	8,097,700

(5) Notes to Consolidated Financial Statements

Going-concern Assumption

Not applicable.

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 five reportable segments: Human Resources Services Business, Recruiting Business, Information Publishing Business, IT & Internet-Related Business and Overseas Business.

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 of regional information magazines, web promotion support, posting and concierge (face-to-face consultation) services. The IT & Internet-Related Business mainly operates the “Nihon no Jinjibu” site, plans and operates events related to the “Nihon no Jinjibu,” supports web promotions, develops web and mobile applications and develops and trains IT engineers. The Overseas Business engages in personnel placement, temporary staffing, personnel and labor consulting and other services in the U.S., China, Mexico, the U.K., Vietnam and Thailand, and the Company provides marketing support for subsidiaries in these countries..

(Information related to revisions for reportable segments)

From the fiscal year under review, the IT & Internet-Related Business and the Overseas Business that were included in “Other” in the segment information are shown independently as reportable segments. Accordingly, the segment information for the previous fiscal year are reported based on the reportable segment categories after the revision.

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

FY3/20 (Apr. 1, 2019 – Mar. 31, 2020) (Thousands of yen)

	Reportable Segment						Adjustment (Note 2)	Amount in the consolidated financial statements (Note 3)
	Human Resources Services Business	Recruiting Business	Information Publishing Business	IT & Internet-Related Business	Overseas Business	Total		
Net sales								
Sales to external customers	13,217,957	3,734,389	2,093,330	993,351	996,685	21,035,714	-	21,035,714
Inter-segment sales and transfers	10,340	11,602	11,926	21,130	909	55,908	(55,908)	-
Total	13,228,298	3,745,991	2,105,256	1,014,482	997,594	21,091,622	(55,908)	21,035,714
Segment profit (loss)	2,487,474	901,728	196,954	197,282	(18,145)	3,765,295	(834,702)	2,930,592
Segment assets	6,579,327	2,143,406	1,156,063	1,232,564	634,924	11,746,286	1,812,222	13,558,509
Other items								
Depreciation	111,337	4,392	20,851	2,407	8,182	147,171	31,953	179,124
Impairment loss	-	-	-	-	60,114	60,114	-	60,114
Increase in property, plant and equipment and intangible assets	420,523	13,602	1,290	3,791	6,963	446,170	14,279	460,450

Notes: 1. Contents of adjustments are as follows.

(1) The (834,702) thousand yen adjustment to segment profit (loss) includes elimination for inter-segment transactions of 174,090 thousand yen, and (1,008,793) 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 1,812,222 thousand yen adjustment to segment assets includes elimination for inter-segment transactions of (294,312) thousand yen, and 2,106,534 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 31,953 thousand yen adjustment to depreciation is the sum of depreciation of assets which belong to the administration division that cannot be allocated to reportable segments.

(4) The 14,279 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 (loss) is adjusted with operating profit shown on the consolidated statement of income.

4. The “Overseas Business” segment reported an impairment loss on goodwill of 60,114 thousand yen.

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021) (Thousands of yen)

	Reportable Segment						Adjustment (Note 2)	Amount in the consolidated financial statements (Note 3)
	Human Resources Services Business	Recruiting Business	Information Publishing Business	IT & Internet-Related Business	Overseas Business	Total		
Net sales								
Sales to external customers	13,258,686	2,862,073	1,935,296	1,268,983	764,716	20,089,754	-	20,089,754
Inter-segment sales and transfers	4,372	11,245	12,366	96,664	668	125,317	(125,317)	-
Total	13,263,058	2,873,319	1,947,662	1,365,648	765,384	20,215,072	(125,317)	20,089,754
Segment profit (loss)	2,215,937	188,725	90,239	300,941	(108,546)	2,687,296	(820,112)	1,867,184
Segment assets	7,542,170	1,982,954	1,190,010	1,412,891	563,535	12,691,562	2,411,646	15,103,209
Other items								
Depreciation	156,213	4,765	20,259	3,214	9,903	194,356	25,305	219,661
Impairment loss	-	-	-	-	-	-	-	-
Increase in property, plant and equipment and intangible assets	429,440	960	31,560	462	20,217	482,640	6,570	489,211

Notes: 1. Contents of adjustments are as follows.

(1) The (820,112) thousand yen adjustment to segment profit (loss) includes elimination for inter-segment transactions of 107,701 thousand yen, and (927,814) 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 2,411,646 thousand yen adjustment to segment assets includes elimination for inter-segment transactions of (157,413) thousand yen, and 2,569,059 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 25,305 thousand yen adjustment to depreciation is the sum of depreciation of assets which belong to the administration division that cannot be allocated to reportable segments.

(4) The 6,570 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.

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

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.