

**Summary of Consolidated Financial Results for the First Quarter
of the Fiscal Year Ending March 31, 2024
(Three Months Ended June 30, 2023)**

[Japanese GAAP]

July 31, 2023

Company name: QUICK CO., LTD.

Listing: Tokyo Stock Exchange, Prime Market

Stock code: 4318

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

Representative: Tsutomu Wano, Chairman

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Scheduled date of filing of Quarterly Securities Report:

August 10, 2023

Scheduled date of payment of dividend:

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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, 2024
(April 1, 2023–June 30, 2023)**

(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, 2023	8,983	5.1	3,005	(9.5)	3,033	(9.2)	2,105	(9.0)
Three months ended Jun. 30, 2022	8,551	21.2	3,319	34.4	3,339	34.2	2,314	31.6

Note: Comprehensive income (millions of yen) Three months ended Jun. 30, 2023: 2,313 (up 13.7%)

Three months ended Jun. 30, 2022: 2,034 (up 13.2%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2023	112.56	–
Three months ended Jun. 30, 2022	122.87	–

(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, 2023	19,977	15,213	76.1	813.13
As of Mar. 31, 2023	20,179	13,724	68.0	733.60

Reference: Shareholders' equity (millions of yen) As of Jun. 30, 2023: 15,211 As of Mar. 31, 2023: 13,723

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2023	–	26.00	–	44.00	70.00
Fiscal year ending Mar. 31, 2024	–	–	–	–	–
Fiscal year ending Mar. 31, 2024 (forecast)	–	36.00	–	36.00	72.00

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

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023–March 31, 2024)

(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	15,899	7.4	3,815	4.6	3,838	4.5	2,649	4.4	141.63
Full year	30,000	7.9	4,960	10.5	5,000	10.0	3,353	2.8	179.27

Note: Revisions to the most recently announced consolidated earnings forecast: None

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(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 issued (common shares)

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

As of Jun. 30, 2023:	19,098,576 shares	As of Mar. 31, 2023:	19,098,576 shares
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2) Number of treasury shares at the end of the period

As of Jun. 30, 2023:	391,355 shares	As of Mar. 31, 2023:	391,355 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2023:	18,707,221 shares	Three months ended Jun. 30, 2022:	18,837,275 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

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. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements."

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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, 2024 (the “period under review”), the Japanese economy experienced a moderate recovery driven by a pickup in personal consumption and other factors, with the legal status of novel coronavirus infection shifting to a category 5 infectious disease (“Category 5”) and further normalization of economic activities. However, the economic recovery was hindered by unresolved problems such as the prolonged Ukraine crisis, price increase on the back of higher resource and raw material costs, and the yen's continued depreciation.

Japan’s labor market also reflects the shortage of labor in the corporate sector, with the seasonally adjusted job openings-to-applicants ratio being 1.31 and the seasonally adjusted unemployment rate 2.6% in May 2023.

Under such business environment, the Group has been working on differentiating the QUICK Group from competitors and increasing customer satisfaction by helping our client companies solve their HR related problems by developing new markets and strengthening coordination between the group companies as well as further expanding the existing businesses. The Group is also strengthening its business base by investing in human resources.

As a result, for the period under review, we achieved net sales of 8,983 million yen (up 5.1% year-on-year). On the profit front, however, we posted operating profit of 3,005 million yen (down 9.5% year-on-year), ordinary profit of 3,033 million yen (down 9.2% year-on-year), and profit attributable to owners of parent of 2,105 million yen (down 9.0% year-on-year) due to increased personnel expenses resulting from improved employment conditions for employees and the strengthening of new graduates and mid-career recruitment as part of our aggressive investments in human resources.

Note that, effective from the first quarter of the fiscal year ending March 31, 2024, the name of the reportable segment that was previously referred to as the IT and Internet-Related Business has been changed to the HR Platform Business in order to more accurately represent the nature of the business. This change is merely a change in segment name and has no impact on segment information.

Performance of the business segments is described as follows.

(Human Resources Services Business)

1) Personnel Placement

In the personnel placement category, corporate recruiting needs were robust in fields such as the construction, electrical equipment, machinery, automobile, and IT industries. In addition, recruiting needs for nurses and childcare workers still remained high in medical and welfare sectors. Under these circumstances, we made continued efforts, including developing new markets for focus job fields and areas, enhancing promotional activities to attract registrants, having more meetings with our client companies and registrants who wish to change careers, and providing swift and extensive support. As a result, the personnel placement for specific fields targeting construction-related jobs, various types of engineering jobs, etc. grew steadily, and the personnel placement for nurses and childcare workers remained solid.

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

In the temporary staffing, temporary-to-permanent staffing, and business contracting categories, performance remained solid thanks to continuing strong needs for temporary staffing of nurses, although there was a decline in needs for temporary staffing of call center due to the transition of COVID-19 to Category 5. Revenue also continued to increase in the temporary staffing of childcare workers on the back of robust demand.

Overall, sales of the Human Resources Service Business increased 8.1% year-on-year to 6,854 million yen, but operating profit decreased 1.8% to 2,918 million yen due mainly to an increase in personnel expenses resulting from the improvement of employment conditions.

(Recruiting Business)

In the Recruiting Business, hiring needs in the restaurant, hotel, and service sectors expanded on the back of the relaxation of movement restrictions as a result of the transition of COVID-19 to Category 5. Additionally, recruitment needs also remained strong in the medical and welfare sectors suffering chronic labor shortages.

Under such circumstances, in addition to our focus “Indeed” business, the handling of media for recruiting new college graduates performed steadily. On the other hand, the handling of media for recruiting part-time and temporary staff leveled off and the handling of media for recruiting full-time employees targeting mid-career recruiting faced difficult situation due to intensified competition with peers.

For services other than the handling of recruiting advertisement, the consulting service field such as program development for internships and company information sessions for new graduate recruiting largely remained flat, while the production field such as recruitment websites and company guides was sluggish.

Overall, sales of the Recruiting Business decreased 1.8% year-on-year to 749 million yen, and operating profit decreased 56.3% to 75 million yen due mainly to an increase in personnel expenses resulting from the improvement of employment conditions.

(Information Publishing Business)

In the Information Publishing Business, the handling of advertisement placements for sales promotion targeting restaurants, shops, and other businesses expanded, as sales promotion sentiment of our client companies further recovered as a result of the transition of COVID-19 to Category 5. The handling of recruiting advertisement performed well thanks to a robust job market in the Hokuriku region and Niigata, contributing to the solid performance of the lifestyle information magazine category as a whole.

Also, posting services including flyers distributed to households performed well with increased revenues in all areas targeted for distribution, especially in the handling of flyers related to housing, renovation, and schools.

Furthermore, in the consulting services we operate under the “cococolor.” brand, the career change domain posted a significant growth in revenue on the back of a robust job market in the Hokuriku region and Niigata and as a result of response to staff recruiting needs associated with new factory construction and floor space expansion in the Hokuriku region. Additionally, this business category showed a healthy performance in the volume of “Indeed,” the production of websites and other web-related services.

Overall, sales of the Information Publishing Business increased 17.3% year-on-year to 643 million yen and operating profit also increased 76.0% year-on-year to 114 million yen, covering an increase in personnel expenses resulting from the improvement of employment conditions.

(HR Platform Business)

In the HR Platform Business, the market for “Nihon no Jinjibu” (Japan’s Human Resources Department) related service continued to enjoy a strong demand for capital investment to improve business efficiency and promote DX, whereby resolving issues in the HR domain, as well as for services related to recruiting and HR development. Although needs to attract participants to training events and seminars related to personnel and labor issues continued, advertising revenues from “Nihon no Jinjibu”—our portal website for personnel and labor relations were affected by the curbing of the placement of advertisements by some large customers who had been actively expanding sales promotions for their products during the pandemic. An online HR event, “Nihon no Jinjibu HR Conference 2023 — Spring—” held in May 2023 continued to perform well, with sales and total number of entries renewing record.

Overall, net sales of the HR Platform Business decreased 38.2% year-on-year to 378 million yen, and operating profit decreased 37.3% to 203 million yen due mainly to an increase in personnel expenses resulting from the improvement of employment conditions.

Note that, due to the sale of all shares of Kronos Co., LTD. in October 2022, the company’s operating results are not included in the consolidated operating results of the QUICK Group for the period under review, resulting in a difference in results from the same period a year ago.

(Overseas Business)

In the U.S., revenue increased in both the personnel placement and temporary staffing businesses due to the continuing strong recruiting needs, as well as operations in Dallas, where the Company opened an office in January 2022, are now on track. We also achieved substantial increase in revenue in Mexico and returned to profitability on the back of economic recovery following the settling down of the pandemic, as well as increased recruiting needs for interpreters, translators, and managers caused by the new entry of Japanese companies in the Mexican market and the transfer of their factories from China to Mexico in response to the U.S.-China issues.

In the U.K., as the job market for career change continues to be strong with corporate recruiting demand continuing to be brisk, the temporary staffing business remained steady. On the other hand, the performance of the personnel placement business leveled off due to an increase in the number of cases where recruitment activities took longer as more companies wanted to acquire more talented personnel, as well as to delays in start dates of new hires caused by longer visa processing times, etc.

In China, as companies resume business activities after the termination of the “zero-corona policy,” the performance expanded in the personnel and labor consulting business especially in advisory services due to the growing importance of risk management in accordance with changes in the Personal Information Protection Law and other laws and regulations related to personnel and labor affairs. On the other hand, revenue from the personnel placement category decreased year-on-year as the re-spreading of infections caused by the end of the “zero-corona policy” forced local companies to slow down business and recruiting activities again. Also in Vietnam, the slowdown in outbound exports by manufacturing and trading companies and the slowdown in the domestic economy due to the suspension of projects in the construction and real estate industries have led to a decline in corporate recruiting demand, resulting in difficult business conditions. In Thailand, amid the recovery of economy and corporate recruiting demand, revenue increased as a result of our efforts to step up recruitment to enhance manpower and cultivate companies with higher recruiting needs.

Overall, sales of the Overseas Business increased 25.5% year-on-year to 356 million yen and operating profit also increased 6.4% year-on-year to 46 million yen.

(2) Explanation of Financial Position

Total assets at the end of the period under review decreased 202 million yen year-on-year from the end of the previous fiscal year to 19,977 million yen. This was mainly the result of decreases in notes and accounts receivable-trade and deferred tax assets, despite increases in cash and deposits and investment securities.

Total liabilities decreased 1,690 million yen from the end of the previous fiscal year to 4,763 million yen. This was mainly the result of decreases in income taxes payable and provision for bonuses.

Total net assets increased 1,488 million yen from the end of the previous fiscal year to 15,213 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 8.1 percentage points from the end of the previous fiscal year to 76.1%.

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

At this point, there are no revisions to the first-half and the full-year consolidated earnings forecasts for the fiscal year ending March 31, 2024, which were announced in the “Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Japanese GAAP)” on April 28, 2023.

An announcement will be made promptly if the review of the progress of the QUICK Group's operation status requires a revision to this forecast.

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

(Thousands of yen)

	FY3/23 (As of Mar. 31, 2023)	First quarter of FY3/24 (As of Jun. 30, 2023)
Assets		
Current assets		
Cash and deposits	12,275,622	12,443,573
Notes and accounts receivable-trade	2,770,678	2,559,511
Other	546,565	505,798
Allowance for doubtful accounts	(3,231)	(2,847)
Total current assets	15,589,635	15,506,035
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	848,785	827,885
Vehicles, net	8,819	8,364
Tools, furniture and fixtures, net	224,845	213,190
Land	176,789	176,789
Leased assets, net	3,121	2,691
Total property, plant and equipment	1,262,360	1,228,920
Intangible assets		
Software	738,371	673,516
Software in progress	148,042	222,986
Goodwill	4,205	3,738
Other	10,646	10,646
Total intangible assets	901,265	910,888
Investments and other assets		
Investment securities	1,212,293	1,504,287
Leasehold deposits	719,732	719,780
Deferred tax assets	446,062	61,419
Other	52,846	50,802
Allowance for doubtful accounts	(5,026)	(5,036)
Total investments and other assets	2,425,907	2,331,252
Total non-current assets	4,589,534	4,471,061
Total assets	20,179,169	19,977,096

(Thousands of yen)

	FY3/23 (As of Mar. 31, 2023)	First quarter of FY3/24 (As of Jun. 30, 2023)
Liabilities		
Current liabilities		
Accounts payable-trade	672,740	541,252
Short-term borrowings	120,522	139,000
Accounts payable-other	1,304,770	957,374
Accrued expenses	812,050	1,078,443
Income taxes payable	866,202	486,174
Accrued consumption taxes	635,407	649,994
Provision for bonuses	1,445,434	147,288
Provision for bonuses for directors (and other officers)	110,828	–
Asset retirement obligations	5,508	10,186
Other	370,542	482,335
Total current liabilities	6,344,006	4,492,048
Non-current liabilities		
Deferred tax liabilities	659	144,285
Retirement benefit liability	–	17,791
Asset retirement obligations	107,898	108,377
Other	1,833	1,486
Total non-current liabilities	110,392	271,940
Total liabilities	6,454,398	4,763,988
Net assets		
Shareholders' equity		
Share capital	351,317	351,317
Capital surplus	433,071	430,995
Retained earnings	12,503,271	13,785,879
Treasury shares	(343,650)	(343,650)
Total shareholders' equity	12,944,008	14,224,541
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	723,782	925,332
Foreign currency translation adjustment	55,750	61,584
Total accumulated other comprehensive income	779,532	986,917
Non-controlling interests	1,229	1,649
Total net assets	13,724,770	15,213,107
Total liabilities and net assets	20,179,169	19,977,096

(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 FY3/23 (Apr. 1, 2022–Jun. 30, 2022)	First three months of FY3/24 (Apr. 1, 2023–Jun. 30, 2023)
Net sales	8,551,797	8,983,806
Cost of sales	2,261,614	2,296,159
Gross profit	6,290,182	6,687,647
Selling, general and administrative expenses	2,970,198	3,682,426
Operating profit	3,319,983	3,005,220
Non-operating income		
Interest income	409	459
Dividend income	4,274	4,859
Foreign exchange gains	11,114	4,922
Book sales commission	2,304	10,103
Other	6,303	8,128
Total non-operating income	24,407	28,473
Non-operating expenses		
Interest expenses	356	283
Information security expenses	4,144	–
Other	40	48
Total non-operating expenses	4,541	331
Ordinary profit	3,339,849	3,033,362
Profit before income taxes	3,339,849	3,033,362
Income taxes-current	703,226	487,569
Income taxes-deferred	323,093	439,755
Total income taxes	1,026,320	927,325
Profit	2,313,529	2,106,037
Profit (loss) attributable to non-controlling interests	(995)	311
Profit attributable to owners of parent	2,314,524	2,105,725

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

(Thousands of yen)

	First three months of FY3/23 (Apr. 1, 2022–Jun. 30, 2022)	First three months of FY3/24 (Apr. 1, 2023–Jun. 30, 2023)
Profit	2,313,529	2,106,037
Other comprehensive income		
Valuation difference on available-for-sale securities	(298,227)	201,550
Foreign currency translation adjustment	18,822	5,505
Total other comprehensive income	(279,404)	207,056
Comprehensive income	2,034,124	2,313,093
Comprehensive income attributable to:		
Owners of parent	2,035,261	2,313,110
Non-controlling interests	(1,137)	(17)

(3) Notes to Quarterly Consolidated Financial Statements**Segment Information**

I. First three months of FY3/23 (Apr. 1, 2022–Jun. 30, 2022)

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

(Thousands of yen)

	Reportable Segment						Adjustment (Note 1)	Amount in the quarterly consolidated statement of income (Note 2)
	Human Resources Services Business	Recruiting Business	Information Publishing Business	HR Platform Business	Overseas Business (Note 3)	Total		
Net sales								
Revenue from contracts with customers	6,342,446	763,283	549,009	612,779	284,278	8,551,797	–	8,551,797
Other revenue	–	–	–	–	–	–	–	–
Sales to external customers	6,342,446	763,283	549,009	612,779	284,278	8,551,797	–	8,551,797
Inter-segment sales and transfers	300	3,806	2,747	22,705	–	29,560	(29,560)	–
Total	6,342,747	767,089	551,757	635,485	284,278	8,581,357	(29,560)	8,551,797
Segment profit	2,973,093	171,894	65,145	323,942	44,122	3,578,198	(258,215)	3,319,983

- Notes: 1. The (258,215) thousand yen adjustment to segment profit includes elimination for inter-segment transactions of 36,023 thousand yen, and (294,239) 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. Segment profit is adjusted with operating profit shown on the quarterly consolidated statement of income.
3. Countries and regions included in the Overseas Business are Japan, U.S. China, Mexico, U.K., Vietnam, and Thailand.

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

Not applicable.

II. First three months of FY3/24 (Apr. 1, 2023–Jun. 30, 2023)

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

(Thousands of yen)

	Reportable Segment						Adjustment (Note 1)	Amount in the quarterly consolidated statement of income (Note 2)
	Human Resources Services Business	Recruiting Business	Information Publishing Business	HR Platform Business	Overseas Business (Note 3)	Total		
Net sales								
Revenue from contracts with customers	6,854,717	749,611	643,805	378,920	356,751	8,983,806	–	8,983,806
Other revenue	–	–	–	–	–	–	–	–
Sales to external customers	6,854,717	749,611	643,805	378,920	356,751	8,983,806	–	8,983,806
Inter-segment sales and transfers	2,277	3,870	4,493	1,866	1,141	13,649	(13,649)	–
Total	6,856,994	753,481	648,298	380,786	357,893	8,997,455	(13,649)	8,983,806
Segment profit	2,918,638	75,147	114,680	203,072	46,965	3,358,505	(353,284)	3,005,220

- Notes: 1. The (353,284) thousand yen adjustment to segment profit includes elimination for inter-segment transactions of 49,151 thousand yen, and (402,436) 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. Segment profit is adjusted with operating profit shown on the quarterly consolidated statement of income.
3. Countries and regions included in the Overseas Business are U.S., China, Mexico, U.K., Vietnam, and Thailand.

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

Not applicable.

3. Information on changes, etc. in reportable segments

(Changes in the names of reportable segments)

Effective from the first quarter of the fiscal year ending March 31, 2024, the name of the reportable segment that was previously referred to as the IT and Internet-Related Business has been changed to the HR Platform Business in order to more accurately represent the nature of the business.

This change is merely a change in segment name and has no impact on segment information. The segment information for the same period a year ago is also presented under the new name.