

**Summary of Consolidated Financial Results for the Third Quarter
of the Fiscal Year Ending March 31, 2024
(Nine Months Ended December 31, 2023)**

[Japanese GAAP]

January 31, 2024

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:

February 13, 2024

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 Third Quarter of the Fiscal Year Ending March 31, 2024
(April 1, 2023–December 31, 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	%
Nine months ended Dec. 31, 2023	22,240	5.6	4,519	7.5	4,579	7.6	3,130	3.7
Nine months ended Dec. 31, 2022	21,052	19.8	4,206	29.9	4,254	29.9	3,018	32.2

Note: Comprehensive income (millions of yen) Nine months ended Dec. 31, 2023: 3,678 (up 30.0%)

Nine months ended Dec. 31, 2022: 2,829 (up 7.3%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2023	167.36	–
Nine months ended Dec. 31, 2022	160.06	–

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Dec. 31, 2023	20,233	15,905	78.6	849.96
As of Mar. 31, 2023	20,179	13,724	68.0	733.60

Reference: Shareholders' equity (millions of yen) As of Dec. 31, 2023: 15,900 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	–	36.00	–		
Fiscal year ending Mar. 31, 2024 (forecast)				54.00	90.00

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
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 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 Dec. 31, 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 Dec. 31, 2023:	391,392 shares	As of Mar. 31, 2023:	391,355 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2023:	18,707,197 shares	Nine months ended Dec. 31, 2022:	18,860,823 shares
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* The current quarterly financial report is not subject to quarterly review by certified public accountants or audit 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 nine months of the fiscal year ending March 31, 2024 (the “period under review”), the Japanese economy experienced a moderate recovery driven by continued pickup in consumer activities thanks to the increased inbound demand as well as the further normalization of economic activities triggered by the lifting of movement restrictions and entry restrictions following the reclassification of COVID-19 to a category 5 infectious disease (“Category 5”). However, problems that are hindering economic recovery remained unresolved, such as unstable international situations including the prolonged Ukraine crisis, the escalating tensions in the Middle East, price increase on the back of higher resource and raw material costs, the continued weakening trend of the yen, and concerns about a slowdown in overseas economies.

Although employment-related indicators in Japan are improving gradually, with the seasonally adjusted job openings-to-applicants ratio being 1.28 and the seasonally adjusted unemployment rate being 2.5% in November 2023, the shortage of labor in the corporate and other sectors has not yet been resolved.

Under such business environment, the QUICK Group has been working on differentiating the 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 posted net sales of 22,240 million yen (up 5.6% year-on-year), operating profit of 4,519 million yen (up 7.5% year-on-year), ordinary profit of 4,579 million yen (up 7.6% year-on-year), and profit attributable to owners of parent of 3,130 million yen (up 3.7% year-on-year).

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 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 continued to be robust in our focus fields of construction, electronics/machinery, and automobile industries. In addition, recruiting needs for nurses and childcare workers also remained high in medical and welfare sectors. Under these circumstances, we made continued efforts, including developing new markets for focus job fields and areas, organizing effective 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 including construction-related jobs, various types of engineering jobs, 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, needs for COVID-19 related temporary staffing decreased due to the reclassification of COVID-19 to Category 5. Under such circumstances, our bolstered sales efforts to nursing-care facilities, hospitals, and other facilities paid off, which we have been promoting since the first half, contributing to a steady expansion in the performance of temporary staffing of nurses. Revenue also increased in the temporary staffing of childcare workers amid continued robust demand for temporary staffing needs, as our efforts to improve the accuracy of matching registrants who wish to work as a temporary staff with client facilities resulted in a steady increase in the number of temporary staff at work.

Overall, sales of the Human Resources Service Business increased 8.3% year-on-year to 15,762 million yen and operating profit also increased 11.9% year-on-year to 4,040 million yen.

(Recruiting Business)

In the Recruiting Business, corporate recruiting needs were robust in the restaurant, hotel, service, and logistics sectors due to the relaxation of movement restrictions as a result of the reclassification of COVID-19 to Category 5, as well as in anticipation of the busy year-end and New Year holiday season. Additionally, recruitment needs also

remained strong in the medical and welfare sectors suffering chronic labor shortages.

Under such circumstances, the volume of our focus “Indeed” business expanded steadily. The handling of media for recruiting new college graduates also performed steadily on the back of the increased corporate appetite to recruit new college graduates and strengthened internship programs. On the other hand, revenue from the handling of media for recruiting part-time and temporary staff decreased and the handling of media for recruiting full-time employees targeting mid-career recruiting also continued to face difficult situation against a backdrop of a decline in advertising effectiveness caused by a robust job market and resulting outflow of clients to competing media.

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 expanded, and the performance of the production field such as recruitment websites, company brochure, and others also saw an improving trend.

Overall, sales of the Recruiting Business decreased 3.6% year-on-year to 2,301 million yen and operating profit decreased 15.7% year-on-year to 337 million yen.

(Information Publishing Business)

In the Information Publishing Business, as for the lifestyle information magazine category, the handling of advertisement placements for sales promotion targeting restaurants, shops, and other businesses grew solidly following the reclassification of COVID-19 to Category 5 and a recovery in sales promotion sentiment of our client companies in anticipation of the busy year-end and New Year holiday season. Furthermore, the handling of recruiting advertisement expanded thanks to a robust job market in the Hokuriku region and Niigata, but the handling of housing advertisement slowed down, which leveled off the overall performance of the lifestyle information magazine category. The performance of posting services, which distribute flyers and other materials to each household, also remained roughly flat, as the handling of flyers for housing events, restaurants, etc. slowed down despite the favorable performance of the handling of real estate-related flyers.

In the consulting services we operate under the “coco color.” brand, the performance of the career change domain expanded thanks primarily to successful results of our participation in a large-scale recruiting project for the new factory construction by manufacturers in the Hokuriku region and promotional activities to attract registrants. Furthermore, both the housing and bridal domains also performed well, leading to an increase in revenue in all domains. 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 7.8% year-on-year to 1,841 million yen and operating profit also increased 170.7% year-on-year to 275 million yen.

(HR Platform Business)

In the HR Platform Business, the market for “Nihon no Jinjibu” (Japan’s Human Resources Department) related service continued to enjoy strong demand for capital investment to improve business efficiency and promote DX, whereby resolving issues in the HR domain, as well as sales promotion needs for services related to recruiting and HR development. Needs to attract participants to training events and seminars related to personnel and labor issues also continue to be high. Against this backdrop, advertising revenues from “Nihon no Jinjibu”—our portal website for personnel and labor relations also showed an improving trend, as advertising placements by some clients, who had curbed their promotional activities, began to recover after the settling down of the pandemic. Additionally, an online HR event, “Nihon no Jinjibu HR Conference 2023 —Fall—” held in November 2023 achieved an all-time high in sales.

Overall, sales of the HR Platform Business decreased 27.3% year-on-year to 1,012 million yen and operating profit decreased 20.6% year-on-year to 532 million yen.

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 the operating results for the same period a year ago. (Note that the company's operating results were included in our operating results for the first half of the fiscal year ended March 31, 2023).

(Overseas Business)

In the U.S., recruiting needs continued to be strong in a wide range of fields, including the manufacturing industry such as automobile-related and food manufacturers, as well as logistics and IT industries. In such a business environment, revenue increased in both the personnel placement and temporary staffing businesses, as operations of offices in Dallas, Chicago, Irvine (now Orange County), and Atlanta, which opened in January 2022, December 2022, April 2023, and September 2023, respectively, are now on track. In Mexico, as manufacturing companies began to expand production, recruiting needs for interpreters and translators increased to respond to the growing number of employees transferred from Japan, and efforts were also focused on introducing local human resources, including engineers and sales personnel, resulting in significant expansion in business performance.

In the U.K., the temporary staffing business posted an increase in revenue amid brisk corporate recruiting demand. The personnel placement business, including international career change support (Cross Border Recruitment® services), continued to perform steadily, as a result of the strengthening of the sales structure, as well as a full-fledged new client development in the Netherlands made by Centre People Appointments B.V., which was established in April 2023 by Centre People Appointments Ltd.

In China, consultation advisory services remained resilient reflecting the provision of a wide range of information in response to changes in various laws and regulations. The personnel and labor consulting business continued to perform steadily, thanks to strong performance in training services and personnel system design. In the meantime, while corporate recruiting needs were limited to those who are difficult to recruit due to the severe domestic economy, the performance of the personnel placement category showed a recovery trend as a result of a meticulous response to client needs and consistent bolstering of sales efforts. In Vietnam, as the domestic economy recovered moderately, our response to fill vacancies for existing clients showed steady performance. In addition, our efforts to develop new clients, including those in the medical field and those newly entering the Vietnamese market progressed favorably, resulting in an increase in revenue. Furthermore, in Thailand, while recruitment needs continue to be mainly for those to fill vacancies, we worked to bolster our sales efforts, focusing on job fields with relatively high recruitment needs and with a high number of registrants who wish to change careers, such as sales personnel, resulting in an increase in revenues.

Overall, sales of the Overseas Business increased 31.8% year-on-year to 1,322 million yen and operating profit also increased 47.1% year-on-year to 228 million yen.

(2) Explanation of Financial Position

Total assets at the end of the period under review increased 54 million yen from the end of the previous fiscal year to 20,233 million yen. This was mainly the result of an increase in investment securities despite a decrease in notes and accounts receivable-trade.

Total liabilities decreased 2,126 million yen from the end of the previous fiscal year to 4,327 million yen. This was mainly the result of decreases in provision for bonuses and income taxes payable.

Total net assets increased 2,180 million yen from the end of the previous fiscal year to 15,905 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 10.6 percentage points from the end of the previous fiscal year to 78.6%.

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

At this point, there are no revisions to the full-year consolidated earnings forecast for the fiscal year ending March 31, 2024, which was 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)	Third quarter of FY3/24 (As of Dec. 31, 2023)
Assets		
Current assets		
Cash and deposits	12,275,622	12,295,369
Notes and accounts receivable-trade	2,770,678	2,174,680
Other	546,565	397,852
Allowance for doubtful accounts	(3,231)	(2,370)
Total current assets	15,589,635	14,865,532
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	848,785	1,026,189
Vehicles, net	8,819	14,662
Tools, furniture and fixtures, net	224,845	247,030
Land	176,789	176,789
Leased assets, net	3,121	2,040
Total property, plant and equipment	1,262,360	1,466,712
Intangible assets		
Software	738,371	647,627
Software in progress	148,042	433,786
Goodwill	4,205	2,803
Other	10,646	10,646
Total intangible assets	901,265	1,094,863
Investments and other assets		
Investment securities	1,212,293	1,894,370
Leasehold deposits	719,732	831,114
Deferred tax assets	446,062	33,734
Other	52,846	53,289
Allowance for doubtful accounts	(5,026)	(6,387)
Total investments and other assets	2,425,907	2,806,122
Total non-current assets	4,589,534	5,367,698
Total assets	20,179,169	20,233,231

(Thousands of yen)

	FY3/23 (As of Mar. 31, 2023)	Third quarter of FY3/24 (As of Dec. 31, 2023)
Liabilities		
Current liabilities		
Accounts payable-trade	672,740	489,654
Short-term borrowings	120,522	143,000
Accounts payable-other	1,304,770	1,287,312
Accrued expenses	812,050	787,215
Income taxes payable	866,202	233,823
Accrued consumption taxes	635,407	443,982
Provision for bonuses	1,445,434	161,970
Provision for bonuses for directors (and other officers)	110,828	–
Asset retirement obligations	5,508	16,213
Other	370,542	233,777
Total current liabilities	6,344,006	3,796,949
Non-current liabilities		
Deferred tax liabilities	659	278,509
Retirement benefit liability	–	17,213
Asset retirement obligations	107,898	234,208
Other	1,833	939
Total non-current liabilities	110,392	530,870
Total liabilities	6,454,398	4,327,820
Net assets		
Shareholders' equity		
Share capital	351,317	351,317
Capital surplus	433,071	429,830
Retained earnings	12,503,271	14,137,518
Treasury shares	(343,650)	(343,736)
Total shareholders' equity	12,944,008	14,574,929
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	723,782	1,208,223
Foreign currency translation adjustment	55,750	117,120
Total accumulated other comprehensive income	779,532	1,325,344
Non-controlling interests	1,229	5,136
Total net assets	13,724,770	15,905,410
Total liabilities and net assets	20,179,169	20,233,231

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

(Thousands of yen)

	First nine months of FY3/23 (Apr. 1, 2022–Dec. 31, 2022)	First nine months of FY3/24 (Apr. 1, 2023–Dec. 31, 2023)
Net sales	21,052,693	22,240,182
Cost of sales	6,763,350	6,881,417
Gross profit	14,289,342	15,358,765
Selling, general and administrative expenses	10,083,284	10,838,886
Operating profit	4,206,058	4,519,878
Non-operating income		
Interest income	1,462	1,832
Dividend income	8,453	8,352
Foreign exchange gains	24,428	16,255
Book sales commission	11,244	18,106
Other	33,416	16,174
Total non-operating income	79,005	60,721
Non-operating expenses		
Interest expenses	1,148	1,012
Commission expenses	25,000	51
Information security expenses	4,144	–
Other	199	193
Total non-operating expenses	30,493	1,257
Ordinary profit	4,254,571	4,579,342
Extraordinary income		
Gain on sale of non-current assets	122	850
Gain on sale of investment securities	–	3,729
Gain on sale of shares of subsidiaries and associates	171,296	–
Total extraordinary income	171,418	4,579
Extraordinary losses		
Loss on retirement of non-current assets	–	615
Loss on sale of investment securities	–	4,584
Impairment losses	24,986	–
Loss on store closings	25,750	–
Total extraordinary losses	50,737	5,199
Profit before income taxes	4,375,253	4,578,722
Income taxes-current	1,352,516	968,103
Income taxes-deferred	4,169	477,507
Total income taxes	1,356,685	1,445,611
Profit	3,018,567	3,133,111
Profit (loss) attributable to non-controlling interests	(273)	2,288
Profit attributable to owners of parent	3,018,841	3,130,823

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

(Thousands of yen)

	First nine months of FY3/23 (Apr. 1, 2022–Dec. 31, 2022)	First nine months of FY3/24 (Apr. 1, 2023–Dec. 31, 2023)
Profit	3,018,567	3,133,111
Other comprehensive income		
Valuation difference on available-for-sale securities	(255,924)	484,441
Foreign currency translation adjustment	66,699	61,386
Total other comprehensive income	(189,224)	545,828
Comprehensive income	2,829,342	3,678,940
Comprehensive income attributable to:		
Owners of parent	2,829,439	3,676,635
Non-controlling interests	(97)	2,305

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

I. First nine months of FY3/23 (Apr. 1, 2022–Dec. 31, 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	14,559,568	2,387,946	1,707,765	1,393,990	1,003,423	21,052,693	–	21,052,693
Other revenue	–	–	–	–	–	–	–	–
Sales to external customers	14,559,568	2,387,946	1,707,765	1,393,990	1,003,423	21,052,693	–	21,052,693
Inter-segment sales and transfers	4,034	22,611	6,771	47,732	2,966	84,116	(84,116)	–
Total	14,563,602	2,410,557	1,714,536	1,441,723	1,006,389	21,136,810	(84,116)	21,052,693
Segment profit	3,611,271	399,713	101,641	670,115	155,562	4,938,304	(732,245)	4,206,058

Notes: 1. The (732,245) thousand yen adjustment to segment profit includes elimination for inter-segment transactions of 103,623 thousand yen, and (835,868) 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., Mexico, U.K., China, Vietnam, and Thailand.

2. Information on impairment losses of non-current assets, goodwill, etc. by reportable segment
(Significant impairment losses on non-current assets)

The Information Publishing Business segment reported an impairment loss of 24,986 thousand yen for the first nine months of the fiscal year ended March 31, 2023.

II. First nine months of FY3/24 (Apr. 1, 2023–Dec. 31, 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	15,762,001	2,301,654	1,841,365	1,012,961	1,322,200	22,240,182	–	22,240,182
Other revenue	–	–	–	–	–	–	–	–
Sales to external customers	15,762,001	2,301,654	1,841,365	1,012,961	1,322,200	22,240,182	–	22,240,182
Inter-segment sales and transfers	4,735	23,308	11,580	5,198	9,378	54,200	(54,200)	–
Total	15,766,736	2,324,962	1,852,945	1,018,160	1,331,578	22,294,383	(54,200)	22,240,182
Segment profit	4,040,416	337,156	275,168	532,004	228,879	5,413,625	(893,746)	4,519,878

Notes: 1. The (893,746) thousand yen adjustment to segment profit includes elimination for inter-segment transactions of 148,008 thousand yen, and (1,041,754) 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., Mexico, U.K., Netherlands, China, Vietnam, and Thailand.

2. Information on impairment losses of non-current assets, goodwill, etc. by reportable segment

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 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.