

**Summary of Consolidated Financial Results for the Second Quarter  
of the Fiscal Year Ending March 31, 2021  
(Six Months Ended September 30, 2020)**

**[Japanese GAAP]**

October 30, 2020

Company name: QUICK CO., LTD.

Listing: First Section, Tokyo Stock Exchange

Stock code: 4318

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

Representative: Tsutomu Wano, Chairman

Contact: Yasuhiko Hirata, Director, Executive Officer,

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Scheduled date of filing of Quarterly Report:

November 12, 2020

Scheduled date of payment of dividend:

December 1, 2020

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: Yes

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

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

**(1) Consolidated results of operations**

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended Sep. 30, 2020	10,550	(2.9)	1,906	(17.3)	2,031	(12.5)	1,422	(8.4)
Six months ended Sep. 30, 2019	10,864	9.3	2,305	14.3	2,321	14.2	1,552	12.2

Note: Comprehensive income (millions of yen) Six months ended Sep. 30, 2020: 1,696 (up 10.9%)  
Six months ended Sep. 30, 2019: 1,529 (down 6.3%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Six months ended Sep. 30, 2020	75.54		-	
Six months ended Sep. 30, 2019	82.34		-	

**(2) Consolidated financial position**

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Sep. 30, 2020	14,922	10,727	71.9	569.37
As of Mar. 31, 2020	13,558	9,464	69.8	502.19

Reference: Shareholders' equity (millions of yen) As of Sep. 30, 2020: 10,725 As of Mar. 31, 2020: 9,459

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2020	-	22.00	-	23.00	45.00
Fiscal year ending Mar. 31, 2021	-	18.00			
Fiscal year ending Mar. 31, 2021 (forecast)			-	19.00	37.00

Note: Revisions to the most recently announced dividend forecast: Yes

Regarding revisions to the dividend forecast, please refer to the "Notice of Revisions to the Full-year Earnings Forecast and Dividend Forecast" that was announced today (October 30, 2020, Japanese version only).

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

Breakdown of year-end dividends for the fiscal year ending Mar. 31, 2021 (forecast): Ordinary dividends: 13.00 yen; Commemorative dividends: 6.00 yen

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

(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	19,400	(7.8)	1,572	(46.4)	1,700	(43.5)	1,149	(44.6)	61.01

Note: Revisions to the most recently announced consolidated earnings forecast: Yes

Regarding revisions to the consolidated earnings forecast, please refer to the "Notice of Revisions to the Full-year Earnings Forecast and Dividend Forecast" that was announced today (October 30, 2020, Japanese version only).

**\* Notes**

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

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

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

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares outstanding (common shares)

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

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

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

Six months ended Sep. 30, 2020:	18,837,403 shares	Six months ended Sep. 30, 2019:	18,857,403 shares
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\* The current quarterly financial report is not subject to quarterly review by certified public accountants or accounting firms.

\* Explanation of appropriate use of earnings forecasts, and other special items

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."

## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

During the first half of the fiscal year ending March 31, 2021, consumer and corporate activities in Japan were severely restricted by the declaration of a state of emergency in response to the spread of the COVID-19 infection, which was a tough environment for our group's businesses, particularly for the advertising business. Although the economic activities began resuming after the declaration was lifted late May, it will require some more time for the domestic economy to recover substantially due to a delay in consumer spending pickup as well as lasting weak private-sector capital investment activities that were impacted by the resurgence of COVID-19 infections from July.

Japan's labor market also continues to deteriorate due to COVID-19. The seasonally adjusted job openings-to-applicants ratio declined for eight consecutive months with 1.04 in August 2020. The unemployment rate also declined to the 3% level with a figure of 3.0%, the first time since May 2017. That was a complete turn from the situation a year ago where many corporations across wide range of industries faced serious labor shortages.

To promote and sustain 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.

In the Human Resources Service Business, some of our client companies showed a weaker appetite for recruiting, and suspended or delayed their hiring activities in the personnel placement category at the initial stage of the COVID-19 spread. Meanwhile, the semiconductor industry continues to show a vigorous recruiting needs against a backdrop of accelerating investments for the fifth-generation (5G) mobile communication systems. Furthermore, after the declaration of a state of emergency was lifted, we saw an increasing number of companies in the electrical equipment and machinery related sectors as well as the construction and civil engineering sectors begin to resume their hiring activities. The medical and welfare sectors also continue to show resilient hiring appetite as a whole, while there are companies that suspended hiring activities in some regions.

Given this business environment, the personnel placement business for professionals and technical staff to general companies remained almost flat and nurses placement at hospitals and care facilities as well as childcare professionals placement expanded. Those are 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.

In the temporary staffing, temporary-to-permanent staffing and business contracting categories, effects of decreased number of workdays of temporary staff in the medical and welfare sectors have almost ceased in the beginning of the second quarter, which were mainly caused by temporary closure at client companies' facilities, in conjunction with the spread of the COVID-19 infection and the declaration of a state of emergency. As a result, the temporary staffing of childcare workers achieved a favorable expansion. The temporary staffing of nurses continued to remain solid by promoting extension of the existing contracts, while growth in the number of workdays of new staff has been sluggish, as dispatching needs turned into a slightly downward trend. As for the temporary staffing in other fields, we held webinars for web engineers under collaboration with Kronos Co., Ltd., which led to results of some participants' working as temporary staff. The performance, however, plunged as a result of a decrease in working hours of existing temporary staff who preferred taking paid leaves and a struggle in capturing new customers with temporary staffing needs.

Overall, sales of the Human Resources Service Business increased 3.3% year-on-year to 7,562 million yen and operating profit also increased 9.0% year-on-year to 2,321 million yen.

In the Recruiting Business, the new college graduate category is gradually recovering the volume of advertisements in our recruitment websites targeting March 2021 new college graduates and our internship

websites for March 2022 new college graduates in the current second quarter as client companies have resumed recruiting activities. However, the handling of new graduate recruiting events sharply decreased because joint information meetings and recruiting events hosted by Rikunabi were canceled until August 2020 to prevent the spread of COVID-19 infections.

In the mid-career hiring domain, the volume of “Indeed” business was favorable despite the lingering impact of COVID-19, primarily underpinned by strong recruitment needs in the fields such as medical/nursing care and logistics. However, the volume of recruiting advertisements for full-time employees, part-time workers and potential registrants for temporary staffing dropped drastically. This was because recruiting sentiment is slow to recover among restaurants, retailers and client companies in service, temporary staffing and other sectors due to shortened business hours and business suspension requests following the declaration of state of emergency as well as a resurging spread of COVID-19 since July.

Under these circumstances, Jump Co., Ltd., which was made a consolidated subsidiary in the first quarter, is supporting recruiting activities of client companies mainly by providing recruiting consulting services, producing recruiting tools, and helping create online internship programs with surging needs amid the COVID-19 pandemic. Overall, sales of the Recruiting Business decreased 38.2% year-on-year to 1,044 million yen and operating loss was 140 million yen, compared with operating profit of 410 million yen in the same period of the previous fiscal year.

In the Information Publishing Business, despite the remaining impact of COVID-19, the volume of our mainstay lifestyle information and housing information magazines improved significantly as homebuilders, restaurants, retailers and client companies in service and other sectors are regaining sales promotion sentiment in the second quarter. Additionally, the performance of posting services including flyers distributed to households with lifestyle information magazines recovered, and the volume of “Indeed” business continued to increase steadily.

The concierge services we operate under the “cococolor” brand remained favorable in the career change domain and returned to a recovery track in the housing domain. Thus, the operating performance of the entire concierge services grew steadily.

Overall, sales of the Information Publishing Business decreased 9.9% year-on-year to 900 million yen and operating profit also decreased 62.2% year-on-year to 28 million yen.

In the Other Businesses, the IT & Internet-Related Business category has still faced with weak sales promotion needs in the HR solution industry, greatly affecting our mainstay “Nihon no Jinjibu” (Japan’s Human Resources Department) business. However, the profit decline of HR Vision Co., Ltd. was mostly offset by the online HR-related event “HR Conference 2020 - Spring edition -” under the “Nihon no Jinjibu” (Japan’s Human Resources Department) brand, which was successfully implemented in May, as well as improved efficiency of business operations.

Kronos Co., LTD., in the learning field, sustained a healthy operating performance even though COVID-19 has discouraged many companies from investing in IT-related trainings. This was attributable to successful sales activities focusing on major companies that are less affected by COVID-19 and received our group training service for newly hired IT engineers in the first quarter. In contrast, in the system development field, the performance was sluggish and the business environment remained tough, partly reflecting a series of postponement and cancellation of development projects coupled with a decrease in development projects suitable even for less-experienced engineers.

In the Overseas Business category, North and Central America (notably in the U.S. and Mexico) suffered a substantial decline in recruiting needs. This was because, with the spread of COVID-19, lockdown and shelter-in-place orders in the U.S. as well as stay-at-home requests and other measures in Mexico slowed down economic activities and companies decided to postpone or suspend their recruiting activities one after another. Additionally, the temporary staffing business dropped as some confirmed projects were negatively affected by the postponed start date of employment. Moreover, amid sluggish new contract achievement, the temporary staffing business in the U.S. was weak partly because of the furlough of the staff who couldn’t respond to teleworking requested by client companies.

As for Asia (notably in China, Vietnam, and Thailand), the personnel placement business in China achieved certain results mainly through the placement of professionals while an increasing number of companies are cautious about recruiting activities with the COVID-19 pandemic eroding business confidence. However, in the personnel and labor consulting service, the business performance stagnated due to declining needs primarily in large group trainings, personnel system development and visa acquisition support while assistance for detailed needs in business operations, labor management, HR problems and others during the COVID-19 pandemic contributed to further improving reliability in client companies. In Vietnam, in the midst of overseas travel restrictions and the temporary suspension of visa issuance, business climate remained tough due mainly to delayed start date of employment, and declining recruiting needs in our strong industries of apparel, construction and equipment as well as the needs accompanied by new market entry. In Thailand, it would still take time to start full-fledged personnel placement services as, like in other countries, many companies show no signs of resuming recruiting activities.

In the U.K., domestic personnel placement services shrank due partly to the suspension of recruiting activities affected by the COVID-19 related lockdown although international personnel placement services supporting career changes to non-U.K. European companies (Cross Border Recruitment services) remained favorable. Meanwhile, the temporary staffing business has been sluggish because customer demand for temporary staffing decreased following the shift to teleworking.

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

Overall, sales of the Other Businesses increased 22.4% year-on-year to 1,042 million yen and operating profit increased 7.6% year-on-year to 93 million yen.

As a result of these factors, net sales decreased 2.9% year-on-year to 10,550 million yen, operating profit decreased 17.3% year-on-year to 1,906 million yen, ordinary profit decreased 12.5% year-on-year to 2,031 million yen, and profit attributable to owners of parent decreased 8.4% year-on-year to 1,422 million yen.

## **(2) Explanation of Financial Position**

### 1) Assets, liabilities and net assets

Total assets at the end of the second quarter of the fiscal year under review were 14,922 million yen, which was 1,364 million yen more than at the end of the previous fiscal year. This was mainly the result of an increase in cash and deposits, despite a decrease in notes and accounts receivable-trade.

Total liabilities were 4,195 million yen, which was 100 million yen more than at the end of the previous fiscal year. This was mainly the result of an increase in short-term borrowings despite decreases in accounts payable-trade and provision for bonuses.

Total net assets were 10,727 million yen, which was 1,263 million yen more than at the end of the previous fiscal year. This was mainly the result of an increase in retained earnings due to the booking of profit attributable to owners of parent. Consequently, the shareholders' equity ratio improved 2.1 percentage points from the end of the previous fiscal year to 71.9%.

### 2) Cash flows

Cash and cash equivalents (hereinafter "net cash") increased 1,390 million yen from the end of the previous fiscal year to 8,805 million yen at the end of the second quarter 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 14.5% year-on-year to 1,347 million yen. Negative factors include a decrease in provision for bonuses of 316 million yen and income taxes paid of 529 million yen. Positive factors include profit before income taxes of 2,023 million yen.

#### Cash flows from investing activities

Net cash used in investing activities decreased 1.5% year-on-year to 224 million yen. Negative factors include purchase of property, plant and equipment, and intangible assets of 232 million yen.

#### Cash flows from financing activities

Net cash provided by financing activities was 281 million yen, compared with 433 million yen used in the same period of the previous fiscal year. Negative factors include dividends paid of 431 million yen. Positive factors include short-term borrowings of 653 million yen.

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

As a result of reviewing the results of operations for the first half of the current fiscal year and the future outlook, we have revised the consolidated earnings forecast for the fiscal year ending March 31, 2021, which was announced in “Notice of Announcement of Consolidated Earnings Forecast” dated October 12, 2020 (Japanese version only).

For more information, please refer to the press release “Notice of Revisions to the Full-year Earnings Forecast and Dividend Forecast” announced today (Japanese version only).

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

	(Thousands of yen)	
	FY3/20 (As of Mar. 31, 2020)	Second quarter of FY3/21 (As of Sep. 30, 2020)
Assets		
Current assets		
Cash and deposits	7,469,166	8,860,300
Notes and accounts receivable-trade	2,139,732	1,654,561
Other	423,453	371,283
Allowance for doubtful accounts	(2,081)	(2,046)
Total current assets	10,030,271	10,884,098
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	879,320	858,281
Vehicles, net	4,872	2,389
Tools, furniture and fixtures, net	99,880	112,997
Land	276,869	276,869
Leased assets, net	7,360	5,955
Total property, plant and equipment	1,268,302	1,256,492
Intangible assets		
Software	367,856	416,488
Software in progress	74,851	166,733
Goodwill	74,846	74,053
Other	10,659	10,659
Total intangible assets	528,213	667,934
Investments and other assets		
Investment securities	926,517	1,354,276
Leasehold deposits	656,096	663,369
Deferred tax assets	100,388	53,868
Other	52,152	45,707
Allowance for doubtful accounts	(3,433)	(3,173)
Total investments and other assets	1,731,721	2,114,049
Total non-current assets	3,528,237	4,038,476
Total assets	13,558,509	14,922,574

	(Thousands of yen)	
	FY3/20 (As of Mar. 31, 2020)	Second quarter of FY3/21 (As of Sep. 30, 2020)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	492,927	201,990
Short-term borrowings	192,502	846,321
Current portion of long-term borrowings	6,000	14,340
Accounts payable-other	838,432	811,639
Accrued expenses	562,217	542,592
Income taxes payable	552,213	515,499
Accrued consumption taxes	349,522	347,914
Provision for bonuses	571,211	254,142
Provision for bonuses for directors (and other officers)	42,000	-
Provision for repayment	20,600	25,500
Other	348,576	252,469
Total current liabilities	3,976,203	3,812,409
Non-current liabilities		
Long-term borrowings	4,500	78,759
Deferred tax liabilities	7,530	198,562
Asset retirement obligations	98,011	98,266
Other	8,262	7,244
Total non-current liabilities	118,304	382,833
Total liabilities	4,094,508	4,195,242
<b>Net assets</b>		
Shareholders' equity		
Share capital	351,317	351,317
Capital surplus	391,392	391,392
Retained earnings	8,194,756	9,184,413
Treasury shares	(16,005)	(16,005)
Total shareholders' equity	8,921,459	9,911,116
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	537,307	832,273
Foreign currency translation adjustment	1,134	(17,861)
Total accumulated other comprehensive income	538,441	814,412
Non-controlling interests	4,099	1,803
Total net assets	9,464,000	10,727,331
Total liabilities and net assets	13,558,509	14,922,574

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

(Thousands of yen)

	First six months of FY3/20 (Apr. 1, 2019 – Sep. 30, 2019)	First six months of FY3/21 (Apr. 1, 2020 – Sep. 30, 2020)
Net sales	10,864,044	10,550,262
Cost of sales	3,674,020	3,763,915
Gross profit	7,190,024	6,786,347
Selling, general and administrative expenses	4,884,849	4,879,674
Operating profit	2,305,174	1,906,672
Non-operating income		
Interest income	423	937
Dividend income	7,192	5,557
Subsidy income	-	112,615
Other	11,857	8,258
Total non-operating income	19,473	127,369
Non-operating expenses		
Interest expenses	996	2,323
Foreign exchange losses	964	-
Commission expenses	730	-
Other	120	47
Total non-operating expenses	2,812	2,370
Ordinary profit	2,321,835	2,031,671
Extraordinary income		
Gain on sales of investment securities	63,338	-
Total extraordinary income	63,338	-
Extraordinary losses		
Loss on sales of non-current assets	-	231
Loss on retirement of non-current assets	178	11
Impairment loss	60,114	-
Office relocation expenses	-	7,569
Total extraordinary losses	60,292	7,812
Profit before income taxes	2,324,880	2,023,858
Income taxes-current	715,594	491,388
Income taxes-deferred	56,264	111,981
Total income taxes	771,858	603,370
Profit	1,553,021	1,420,488
Profit (loss) attributable to non-controlling interests	296	(2,428)
Profit attributable to owners of parent	1,552,724	1,422,917

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

(Thousands of yen)

	First six months of FY3/20 (Apr. 1, 2019 – Sep. 30, 2019)	First six months of FY3/21 (Apr. 1, 2020 – Sep. 30, 2020)
Profit	1,553,021	1,420,488
Other comprehensive income		
Valuation difference on available-for-sale securities	(17,451)	294,966
Foreign currency translation adjustment	(6,176)	(18,863)
Total other comprehensive income	(23,627)	276,103
Comprehensive income	1,529,394	1,696,591
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,529,110	1,698,887
Comprehensive income attributable to non-controlling interests	283	(2,296)

**(3) Quarterly Consolidated Statement of Cash Flows**

(Thousands of yen)

	First six months of FY3/20 (Apr. 1, 2019 – Sep. 30, 2019)	First six months of FY3/21 (Apr. 1, 2020 – Sep. 30, 2020)
Cash flows from operating activities		
Profit before income taxes	2,324,880	2,023,858
Depreciation	86,577	102,587
Impairment loss	60,114	-
Amortization of goodwill	7,085	6,369
Increase (decrease) in allowance for doubtful accounts	426	(307)
Increase (decrease) in provision for bonuses	(132,554)	(316,952)
Increase (decrease) in provision for bonuses for directors (and other officers)	(62,450)	(42,000)
Increase (decrease) in provision for repayment	5,600	4,900
Interest and dividend income	(7,615)	(6,494)
Interest expenses	996	2,323
Loss (gain) on sales of investment securities	(63,338)	-
Loss (gain) on sales of non-current assets	-	231
Loss on retirement of non-current assets	178	11
Relocation expenses	-	7,569
Decrease (increase) in trade receivables	265,528	384,059
Increase (decrease) in trade payables	(264,238)	(231,651)
Increase (decrease) in accrued consumption taxes	(38,341)	(1,364)
Other, net	19,071	(60,730)
Subtotal	2,201,920	1,872,410
Interest and dividends received	7,615	6,495
Interest paid	(1,015)	(2,392)
Income taxes paid	(633,781)	(529,411)
Net cash provided by (used in) operating activities	1,574,739	1,347,102
Cash flows from investing activities		
Net decrease (increase) in time deposits	-	(705)
Purchase of property, plant and equipment	(232,925)	(49,716)
Proceeds from sales of property, plant and equipment	-	439
Purchase of intangible assets	(104,255)	(182,818)
Purchase of investment securities	(2,820)	(2,861)
Proceeds from sales of investment securities	112,265	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	11,362
Net cash provided by (used in) investing activities	(227,736)	(224,299)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,100	653,819
Proceeds from long-term borrowings	-	66,448
Repayments of long-term borrowings	-	(5,085)
Repayments of lease obligations	(1,939)	(1,523)
Dividends paid	(432,998)	(431,708)
Net cash provided by (used in) financing activities	(433,838)	281,950
Effect of exchange rate change on cash and cash equivalents	(3,555)	(14,196)
Net increase (decrease) in cash and cash equivalents	909,608	1,390,557
Cash and cash equivalents at beginning of period	6,334,521	7,415,291
Cash and cash equivalents at end of period	7,244,129	8,805,848

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

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Segment Information**

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

1. Information pertaining to net sales and profit/loss in reportable segments (Thousands of yen)

	Reportable Segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount in the quarterly consolidated statement of income (Note 3)
	Human Resources Services Business	Recruiting Business	Information Publishing Business	Subtotal				
Net sales								
Sales to external customers	7,322,485	1,689,947	999,912	10,012,345	851,698	10,864,044	-	10,864,044
Inter-segment sales and transfers	4,184	6,432	4,250	14,866	4,085	18,951	(18,951)	-
Total	7,326,669	1,696,380	1,004,162	10,027,212	855,783	10,882,996	(18,951)	10,864,044
Segment profit	2,130,687	410,442	74,564	2,615,695	87,194	2,702,889	(397,715)	2,305,174

- Notes: 1. "Other" represents the businesses which are not included in any of the reportable segments and mainly consists of the Internet-Related Business and the Overseas Business.
2. The (397,715) thousand yen adjustment to segment profit includes elimination for inter-segment transactions of 97,036 thousand yen, and (494,751) thousand yen in company-wide costs that cannot be allocated to any specific reportable segments. Company-wide costs consist primarily of expenses related to the administration division which are not attributable to any reportable segments, including general affairs and accounting at the Company.
3. Segment profit is adjusted with operating profit shown on the quarterly consolidated statement of income.

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

(Significant impairment losses on non-current assets)

The "Other (Overseas Business)" segment reported an impairment loss on goodwill of 60,114 thousand yen for the first six months of the fiscal year under review.

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

1. Information pertaining to net sales and profit/loss in reportable segments (Thousands of yen)

	Reportable Segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount in the quarterly consolidated statement of income (Note 3)
	Human Resources Services Business	Recruiting Business	Information Publishing Business	Subtotal				
Net sales								
Sales to external customers	7,562,941	1,044,385	900,554	9,507,880	1,042,381	10,550,262	-	10,550,262
Inter-segment sales and transfers	3,176	4,082	4,049	11,308	31,695	43,003	(43,003)	-
Total	7,566,118	1,048,467	904,603	9,519,189	1,074,076	10,593,266	(43,003)	10,550,262
Segment profit (loss)	2,321,923	(140,703)	28,155	2,209,375	93,819	2,303,194	(396,521)	1,906,672

- Notes: 1. "Other" represents the businesses which are not included in any of the reportable segments and mainly consists of the IT and Internet-Related Business, and the Overseas Business.
2. The (396,521) thousand yen adjustment to segment profit (loss) includes elimination for inter-segment transactions of 59,949 thousand yen, and (456,471) thousand yen in company-wide costs that cannot be allocated to any specific reportable segments. Company-wide costs consist primarily of expenses related to the administration division which are not attributable to any reportable segments, including general affairs and accounting at the Company.
3. Segment profit (loss) is adjusted with operating profit shown on the quarterly consolidated statement of income.

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

Not applicable.

*This summary report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*