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Summary of Consolidated Financial Results for the 1st Quarter of the Fiscal Year Ending March 2018 (Based on Japanese GAAP)

August 10, 2017

Listed company name	PERSOL HOLDINGS CO., LTD.			Stock Exchange Listing: Tokyo
Stock code:	2181	URL https://www.persol-group.co.jp/		
Representative	(Title)	Representative Director, President and CEO	Masamichi Mizuta	
Inquiries	(Position)	Director, Executive Officer	Kiyoshi Seki	Tel: 03-3375-2220
Scheduled date to file quarterly report:		August 14, 2017	Scheduled date to commence dividend payments:	-
Preparation of supplementary quarterly results explanatory material	: Yes			
Quarterly results briefing session	: No			

(Amounts less than JPY 1 million rounded down)

１. Consolidated results for the 1st quarter of the fiscal year ending March 2018 (April 1, 2017 - June 30, 2017)

(1) Consolidated operating results (cumulative) (% indicates ratio of change from same quarter last year)

	Sales		Operating profit		Ordinary profit		Quarterly net profit attributable to parent company shareholders	
	JPY Million	%	JPY Million	%	JPY Million	%	JPY Million	%
1st quarter of fiscal year ended March 2018	161,897	17.8	9,114	-1.5	9,471	-0.0	5,425	-12.6
1st quarter of fiscal year ended March 2017	137,404	15.3	9,257	41.1	9,475	44.0	6,209	48.2

Note: Comprehensive income	1st quarter of fiscal year ended March 2018 JPY 5,583 million (-2.6%)	First quarter of fiscal year ended March 2017 JPY 5,733 Million (34.1%)

	Quarterly net profit per share	Quarterly net profit per share after adjustment for dilution Quarterly net profit per share
	JPY	JPY
1st quarter of fiscal year ended March 2018	23.20	23.20
1st quarter of fiscal year ended March 2017	26.48	26.38

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	JPY Million	JPY Million	%
1st quarter of fiscal year ended March 2018	263,768	157,211	54.0
Fiscal year ended March 2017	268,364	153,816	51.8

Reference: Equity capital	First quarter of fiscal year ended March 2018 JPY 142,548 Million	Fiscal year ended March 2017 JPY 139,119 Million

２. Dividend Status

	Annual Dividend				
	End Q1	End Q2	End Q3	End of FY	Total
	JPY	JPY	JPY	JPY	JPY
Fiscal year ended March 2017	－	8.00	－	9.00	17.00
Fiscal year ended March 2018	－				
Fiscal year ended March 2018 (forecast)		9.00	－	9.00	18.00

Note: Revision of most recently announced dividend forecast: No

３. Forecast of consolidated financial results for the year ending March 31, 2018 (April 1, 2017 - March 31, 2018)

(% indicates ratio of change from same quarter last year)

	Sales		Operating profit		Ordinary profit		Current period net profit attributable to parent company shareholders		Current period net profit per share
	JPY Million	%	JPY Million	%	JPY Million	%	JPY Million	%	JPY
1st half	324,000	17.1	15,800	-5.2	16,000	-5.6	9,900	0.4	42.34
Full year	677,300	14.4	36,000	7.8	36,500	6.9	22,200	24.6	94.94

Note: Revision of most recently announced financial results forecast: No

※ Explanatory Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): No

New: - Ltd. (company name); Excluded: - Ltd. (company name)

(2) Application of special accounting treatment when preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies/changes in accounting estimates/restatement of prior period financial statements

① Changes in accounting policies due to revisions to accounting standards etc.: Yes
② Changes in accounting policies other than ① : No
③ Changes in accounting estimates : No
④ Restatement of revised statements : No

(4) Number of fully issued shares (ordinary shares)

① Number of fully issued shares at period end (including treasury stock)	1Q of fiscal year ending March 2018	236,676,879 Shares	Fiscal year ended March 2017	236,673,651 Shares
② Treasury stock at period end	1Q of fiscal year ending March 2018	2,816,851 Shares	Fiscal year ended March 2017	2,838,299 Shares
③ Average number of shares during the period (cumulative quarter)	1Q of fiscal year ending March 2018	233,842,046 Shares	1Q of fiscal year ended March 2017	234,520,865 Shares

※ The quarterly summary of financial results is not subject to a quarterly review

※ Explanation of appropriate usage of financial results forecasts and other special explanatory notes

The financial results outlook etc. and forward looking statements noted in this material are based on certain assumptions PHD deems rational and information currently at hand, which are not meant to be taken as an assurance by PHD that outcomes will be realized. Furthermore, actual financial results etc. may vary greatly due to various factors.

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1． Qualitative information regarding the financial results for this quarter

(1) Explanation regarding business performance

The direction of Japan's economy continued to be unclear during the consolidated cumulative 1st quarter due to changes in political conditions overseas and financial policy trends. Under these circumstances, there was transition to moderate economic recovery due to the government's economic and financial policies etc. which lead to an improvement in corporate earnings.

The employment situation: In June 2017 the average ratio of job offers to job seekers (seasonally adjusted) was 1.51 times which is the highest level recorded in past 43 years. In addition, the overall unemployment rate in May stood at 2.8%. The underlying backdrop to this type of market environment is a shortage of workers combined with a lot of demand. The HR services related market overall shifted to an expansionary trend. PHD Group also experienced a transition into a bullish market emanating from overall client demand, and as a result, performance steadily improved. The core temporary staffing segment business in particular shifted to high levels of temp worker deployments and also, in the placement business there was a major increase in the number of successfully placed candidates.

It was in such an economic environment that PERSOL Group announced its new "PERSOL" Group brand in June 2016. In addition, from July 2017 onwards, PERSOL HOLDINGS CO., LTD. (PHD) and major core companies amended their trading names to incorporate the new `PERSOL` brand, and also proceeded with other measures to enhance brand-recognition. PERSOL Group is a comprehensive group of human resource services companies that encompasses a diverse range of HR solutions: the core temporary staffing business, placement/recruitment, part-time hiring support, outsourcing/design and development in the IT/engineering space, and BPO etc. PERSOL GROUP strives wholeheartedly to offer solutions that resolve labor/hiring challenges.

Moreover, as an initiative in the HR services market in the Asia Pacific region, PHD has decided to initiate procedures to acquire 100% of the fully issued shares of Programmed Maintenance Services Limited, and to make Programmed a subsidiary. Programmed is engaged in HR services and maintenance businesses primarily in Australia. In future the aim is to leverage Programmed`s solid business platform to strengthen PHD`s competitiveness as the largest HR services company in the region.

As a result of the above, sales during this consolidated cumulative 1st quarter were JPY 161,897 million (up 17.8% year-on-year (YOY)), operating profit was JPY 9,114 million (down 1.5% YOY), ordinary profit was JPY 9,471 million (down 0.0% YOY), and quarterly net profit attributable to parent company shareholders was JPY 5,425 million (down 12.6% YOY).

Business results by segment (before inter-segment/company write-offs) are as follows.
From April 1, 2017, we shifted to 5 segment system. We use revised figures which reflect this change to calculate year-on-year growth rate.

① Temporary Staffing/BPO Segment

In the consolidated cumulative 1st quarter, sales in this segment amounted to JPY 117,397 million (up 10.4% year-on-year (YOY)), and operating profit was JPY 5,927 million (up 15.3% YOY).

In the consolidated cumulative 1st quarter, employment related indicators continued to hover around the high levels of the previous consolidated fiscal year with demand remaining robust which lead to chronic labor shortages. Furthermore, various supply measures etc. that had to be taken to respond to demand were successfully implemented resulting in sales growing substantially to JPY 117,397 million. On the profit side, there was an increase in labor costs that accompanied the expansion of operations as well as an increase in PERSOL Group's share of burden of social insurance costs for temps and employees. However, there was a large increase in sales, operating profit was JPY 5,927 million.

② Recruiting Segment

In the consolidated cumulative 1st quarter, sales in this segment amounted to JPY 18,238 million (up 12.7% year-on-year (YOY)), and operating profit was JPY 3,058 million (up 4.3% YOY).

In the consolidated cumulative 1st quarter, sales grew significantly as a result of deployment of additional headcount resources to bolster the sales structures in the domestic Japan recruitment business. Operating profit was impacted by increased costs (labor costs etc.) that accompanied the expansion of operations however, there was also an expansion of sales: operating profit was JPY 3,058 million.

③ Overseas Segment

In the consolidated cumulative 1st quarter, sales in this segment amounted to JPY 15,581 million (up 319.9% year-on-year (YOY)), and operating loss was JPY -261 million (Previous consolidated cumulative 1st quarter (from April 1, 2016 to June 30, 2016): JPY -247 million).

In the consolidated cumulative 1st quarter, sales grew significantly as there was an expansion of operations accompanying the expansion in the scope of the joint venture with Kelly Services, Inc. On the profit side, operating profit was impacted by increased costs (labor costs etc.) together with the expansion of operations, and continuous investment in personnel and system for the future growth: operating loss was JPY -261 million.

④ ITO Segment

In the consolidated cumulative 1st quarter, sales in this segment amounted to JPY 6,182 million (up 7.2% year-on-year (YOY)), and operating profit was JPY 116 million (down 67.3% YOY).

In the consolidated cumulative 1st quarter, sales grew steadily due to high levels of orders for systems development related investments and SI related services from client firms, as well as PHD Group in-house systems development transactions etc. On the profit side there were factors that increased costs (e.g. cost to secure engineers to meet demand etc.): operating profit was JPY 116 million.

⑤ Engineering Segment

In the consolidated cumulative 1st quarter, sales in this segment amounted to JPY 6,386 million (up 6.6% year-on-year (YOY)), and operating profit was JPY 191 million (down 49.5% YOY).

In the consolidated cumulative 1st quarter, sales grew steadily due to continued strong demand for human resources primarily in electronics and automotive industries etc. On the profit side, profitability declined temporary, due to cost increase in particular project: operating profit was JPY 191 million.

(2) Explanation regarding the financial position

① Assets, liabilities, and net asset

Total assets decreased by JPY 4,595 million compared to the end of the previous consolidated accounting period. Current assets decreased by JPY 4,515 million and fixed assets increased by JPY 80 million. Major reasons for the decrease in current assets were a decrease in notes and accounts receivable-trade by JPY 2,937 million, and a decrease in cash and deposits etc. by JPY 977 million. Key reasons for a decrease in fixed assets was a decrease in goodwill of JPY 1,652 million and an increase in investment securities of JPY 475 million and an increase in guarantee deposits of JPY 432 million.

Liabilities decreased by JPY 7,989 million compared to the end of the previous consolidated accounting period. Current liabilities decreased by JPY 8,349 million and non-current liabilities increased by JPY 359 million. The main reasons for the decrease in current liabilities were accrued corporate taxes payable decreased by JPY 4,916 million, and provision for bonuses decreased by JPY 4,400 million. The main reason for the increase in non-current liabilities was net defined benefit liabilities etc. increased by JPY 240 million.

On the other hand, equity capital increased by JPY 3,394 million. This was mainly due to JPY 2,104 million in dividends of surplus being paid out, while on the other hand, quarterly net profit attributable to parent company shareholders etc. of JPY 5,425 million was booked.

	10th term consolidated cumulative 1st quarter period	9th term
Return on assets (ROA)	2.1%	7.6%
Return on equity (ROE)	3.9%	13.4%
Ratio of operating income to sales	5.6%	5.6%
Ratio of ordinary profit to sales	5.9%	5.8%
Current ratio	202.0%	188.0%
Fixed assets ratio	72.3%	74.1%
Equity ratio	54.0%	51.8%
Total assets	JPY 263,768 million	JPY 268,364 million
Equity capital	JPY 142,548 million	JPY 139,119 million
Cash & cash equivalents etc. at period end	JPY 68,372million	JPY 69,382 million

② Business related and financial challenges that must be dealt with

In the consolidated cumulative 1st quarter, no new business and financial challenges that must be dealt have arisen.

(3) Explanation regarding future forecast information (Consolidated results forecast etc.)

Current 1st quarter business results were generally as anticipated. The consolidated earnings forecast has not been changed since being released on May 15, 2017.

２． Quarterly consolidated financial statements & main explanatory notes

(1) Quarterly consolidated balance sheet

(Unit: JPY million)

	Previous consolidated accounting period (March 31, 2017)	1st quarter consolidated accounting period (June 30, 2017)
Assets		
Current assets		
Cash and deposits	69,439	68,461
Notes and accounts receivable-trade	83,260	80,323
Deferred tax assets	4,597	3,706
Other	8,562	8,722
Allowance for doubtful accounts	-619	-488
Total current assets	165,240	160,724
Non-current assets		
Tangible fixed assets		
Buildings and structures, net	2,231	2,429
Tools, furniture and fixtures, net	1,263	1,325
Land	803	803
Other, net	541	501
Tangible fixed assets total	4,840	5,059
Intangible assets		
Trademark rights	4,995	4,917
Goodwill	68,561	66,909
Other	9,310	9,975
Intangible assets total	82,867	81,802
Investments and other assets		
Investment securities	7,782	8,257
Guarantee deposits	5,765	6,197
Deferred tax assets	1,371	1,353
Other	547	381
Allowance for doubtful accounts	-51	-8
Investments and other assets total	15,415	16,181
Non-current assets total	103,123	103,043
Total Assets	268,364	263,768

(Unit: JPY million)

	Previous consolidated accounting period (March 31, 2017)	1st quarter consolidated accounting period (June 30, 2017)
Liabilities		
Current liabilities		
Accounts payable – trade	1,490	1,497
Short-term loans payable	413	364
Current portion of long-term loans payable	4,640	4,640
Accounts payable - other	47,627	48,478
Income taxes payable	8,315	3,398
Accrued consumption taxes	9,619	10,830
Provision for bonuses	9,063	4,662
Provision for directors' bonuses	173	27
Other	6,569	5,663
Total current liabilities	87,913	79,563
Non-current liabilities		
Convertible bonds with subscription rights to shares	31	28
Long-term loans payable	20,426	20,423
Deferred tax liabilities	2,793	2,859
Net defined benefit liability	1,093	1,122
Long-term accounts payable-other	2,197	2,437
Other	92	122
Non-current liabilities total	26,634	26,993
Total liabilities	114,547	106,557
Net assets		
Shareholders' equity		
Capital stock	17,465	17,466
Capital surplus	20,156	20,182
Retained earnings	102,432	105,753
Treasury shares	-3,328	-3,303
Total shareholders' equity	136,725	140,098
Accumulated other comprehensive income		
Valuation difference on marketable securities	2,203	2,372
Foreign currency translation adjustment	190	77
Total accumulated other comprehensive income	2,394	2,450
Non-controlling interests	14,696	14,662
Total net assets	153,816	157,211
Total liabilities and net assets	268,364	263,768

(2) Quarterly consolidated profit and loss statement & quarterly consolidated comprehensive income statement

(Quarterly consolidated profit and loss statement)

(Consolidated cumulative 1st quarter period)

(Unit: JPY million)

	Previous consolidated cumulative 1st quarter period (From April 1, 2016 to June 30, 2016)	This consolidated cumulative 1st quarter period (From April 1, 2017 to June 30, 2017)
Sales	137,404	161,897
Cost of sales	103,031	122,278
Gross profit on sales	34,372	39,619
Selling, general and administrative expenses (SGA)	25,115	30,505
Operating profit	9,257	9,114
Non-operating income		
Interest income	3	10
Dividend income	43	74
Subsidy income	56	220
Compensation income	55	—
Share of profit of entities accounted for using equity method	68	86
Other	48	19
Total non-operating income	276	411
Non-operating expenses		
Interest expenses	34	30
Foreign exchange losses	14	16
Other	9	6
Total non-operating expenses	58	54
Ordinary profit	9,475	9,471
Extraordinary income		
Gain on revision of retirement benefit plan	187	—
Extraordinary income total	187	—
Extraordinary losses		
Loss on disposal of non-current assets	—	261
Loss on sale of investment securities	—	17
Total extraordinary losses	—	278
Net quarterly profit before taxes etc.	9,662	9,192
Corporate tax, resident tax, and business tax	2,511	2,701
Corporate tax etc.-deferred	685	911
Total corporate taxes etc.	3,196	3,612
Quarterly net profit	6,466	5,579
Quarterly net profit attributable to non-controlling interests	256	154
Quarterly net profit attributable to parent company shareholders	6,209	5,425

(Quarterly consolidated comprehensive income statement)

(Consolidated cumulative 1st quarter period)

(Unit: JPY million)

	Previous consolidated cumulative 1st quarter period (From April 1, 2016 to June 30, 2016)	This consolidated cumulative 1st quarter period (From April 1, 2017 to June 30, 2017)
Quarterly net profit	6,466	5,579
Other comprehensive income		
Valuation difference on marketable securities	-576	169
Foreign currency translation adjustment	-350	-165
Remeasurements of defined benefit plans, net of tax	194	-
Total other comprehensive income	-732	3
Quarterly comprehensive income	5,733	5,583
(Breakdown)		
Quarterly comprehensive income attributable to parent company shareholders	5,517	5,491
Quarterly comprehensive income attributable to non-controlling interests	216	91

(3) Explanatory notes regarding quarterly consolidated financial statements

(Explanatory notes regarding ongoing concern assumptions)

No applicable matters.

(Explanatory notes in the event there are significant changes in the amount of shareholders' equity)

No applicable matters.

(Application of special accounting treatment when preparing the quarterly consolidated financial statements)

No applicable matters.

(Segment information etc.)

1． Information regarding sales, profits or losses for each reporting segment

Previous consolidated cumulative 1st quarter (from April 1, 2016 to June 30, 2016)

(Unit: JPY million)

	Reporting segment						Other (Note 1)	Total	Adjustment amount (Note 2)	Quarterly consolidated profit & loss statement (Note 3)
	Temporary Staffing /BPO	Recruiting	Overseas	ITO	Engineering	Total				
Sales										
Sales to external clients	106,013	16,055	3,708	4,608	5,969	136,355	1,027	137,383	20	137,404
Internal sales or transfers between segments	335	130	2	1,160	3	1,633	627	2,260	-2,260	―
Total amount	106,349	16,186	3,710	5,769	5,973	137,989	1,655	139,644	-2,240	137,404
Segment profits	5,140	2,932	-247	355	378	8,560	136	8,696	561	9,257

Consolidated cumulative 1st quarter period (from April 1, 2017 to June 30, 2017)

(Unit: JPY million)

	Reporting segment						Other (Note 1)	Total	Adjustment amount (Note 2)	Quarterly consolidated profit & loss statement (Note 3)
	Temporary Staffing /BPO	Recruiting	Overseas	ITO	Engineering	Total				
Sales										
Sales to external clients	116,859	18,009	15,559	4,696	6,368	161,493	402	161,895	1	161,897
Internal sales or transfers between segments	538	229	21	1,485	-	2,275	532	2,808	-2,808	-
Total amount	117,397	18,238	15,581	6,182	6,368	163,768	935	164,704	-2,806	161,897
Segment profits	5,927	3,058	-261	116	191	9,031	-25	9,006	107	9,114

Note 1: The "Other" category refers to business segments that are not included in reporting segments that include HR services which fulfill Group-wide functions such as: shared-services, education and training, and childcare.

2. Details of adjustments are as follows:

(Unit: JPY million)

	Previous consolidated cumulative 1st quarter period	This consolidated cumulative 1st quarter period
Write-offs between segments	12	-54
Company-wide earnings ※１	1,296	2,010
Company-wide expenses ※2	-748	-1,848
Total	561	107

※１． Company-wide earnings are mainly business management fees and dividend income from Group companies.

※２． Company-wide expenses are mainly costs relating to PHD Group management.

3. Segment profits or losses are adjusted with operating income on quarterly consolidated profit and loss statements.

２． Matters relating to changes etc. in reporting segments

From April 1, 2015, we started 4 segment structure ("Temporary staffing · BPO", "ITO", "Engineering", "Recruiting") aiming to further strengthen its strategic planning function and motivation, clarify responsibilities, realize flexible management decisions for a rapidly changing business environment, and aim for further growth.

From April 1 2017, we shifted to 5 segment structure ("Temporary staffing · BPO", "Recruiting", “Overseas”, "ITO", "Engineering") due to the growing importance in our business. We established overseas businesses as "Overseas" segment which was previously included in "Recruiting" segment.

Figures shown above (Previous consolidated cumulative 1st quarter period from April 1, 2016 to June 30, 2016) reflect this change.

３． Information concerning impairment loss for non-current assets or amortization of goodwill etc. in each reporting segment

Previous consolidated cumulative 1st quarter period (from April 1, 2016 to June 30, 2016)

No applicable matters.

Consolidated cumulative 1st quarter period (from April 1, 2017 to June 30, 2017)

No applicable matters.

(Significant past events)

(Business mergers by acquisition)

A PHD Board of Directors meeting held on July 14, 2017 resolved to commence procedures to acquire (hereinafter, "this share acquisition"), by way of an Australian subsidiary, 100% of the fully issued shares in Programmed Maintenance Services Limited (hereinafter, "Programmed") and to make Programmed a subsidiary. Programmed is listed on the Australian Stock Exchange and is engaged in HR services businesses and maintenance businesses primarily in Australia.

With this share acquisition, PHD plans to acquire all shares owned by shareholders in Programmed for cash in accordance with the Companies Act of Australia through a procedure called a Scheme of Arrangement (hereinafter, "SOA") which is a method of acquiring all shares in a listed company in Australia. On July 14, 2017, PHD and Programmed concluded a Scheme Implementation Deed (hereinafter, "SID") which specifies the terms of agreement for this proposal to acquire all shares (hereinafter, "this acquisition").

To carry out these procedures, approval of this share acquisition proposal by a Programmed General Meeting of Shareholders (approval of more than 75% of the voting rights base and a majority of the attending shareholders who possess voting rights) and by the Australian courts etc. is required. If these conditions are not satisfied, acquisition of 100% of Programmed shares by means of an SOA will not be possible and this acquisition will not be realized.

１． Purpose of this share acquisition

With respect to PHD's overseas business, in 2010 a strategic business alliance agreement was signed with Kelly Services Ltd., a major HR services company in the U.S. In 2012, both firms launched a joint venture in North Asia. Furthermore, in 2016, the joint venture was expanded to cover the entire Asia Pacific region and focuses on temporary staffing, recruitment, and HR management consulting. The JV is currently developing business in 13 countries and regions: PRC, Hong Kong, South Korea, Taiwan, Singapore, Vietnam, Indonesia, Malaysia, Thailand, India, New Zealand, Australia, and the U.S.

On the other hand, Programmed was established as a painting services company in 1951, and after merging etc. with a major Australian HR services company etc., is presently a leading HR services and maintenance company. Programmed focuses on the HR services sector (temporary staffing and recruitment), and facility management (commercial facilities and schools, painting, land development, and mine facility maintenance). Programmed had consolidated sales of AUD 2,691 million and consolidated EBITDA of AUD 96 million in the fiscal year ended March 2017.

PHD decided to carry out this acquisition seeking to further expand its business by combining the strong business foundations of both companies - the know-how and customer base cultivated in the Asia Pacific region by PERSOL together with the scale/results of Programmed in Australia etc.

２． Overview of the company subject to acquisition

Acquisition company name: Programmed Maintenance Services Limited

Business outline: Placement/recruitment, temporary staffing, equipment/facilities maintenance

Scale: Capital AUD 570 million (approx. JPY 49.7 billion)

(Fiscal year ended March 2017) Consolidated net assets AUD 607 million (approx. JPY 53 billion)

Consolidated net assets AUD 1,293 million (approx. JPY 112.9 billion)

Consolidated sales AUD 2,691 million (approx. JPY 234.9 billion)

Note: The amounts in JPY shown in brackets are amounts converted at the exchange rate (AUD 1 = JPY 87.32) as of July 13, 2017 (day before concluding the SID).

３． Number of acquired shares, acquisition price, and status of shareholding before and after acquisition

Number of shares owned prior to acquisition: 0 shares (Number of voting rights: 0, ratio of holding: 0.00%)

Number of shares to be acquired: 262,102,748 shares (number of voting rights：262,102,748)

Number of shares owned after acquisition: 262,102,748 shares (number of voting rights：262,102,748, ratio of holding: 100.00％)

Acquisition price: AUD 791 million (approx. JPY 69.1 billion)

Note 1: The indicated number of acquired shares and the number of shares owned after acquisition assume that all shares will be issued including outstanding shares or performance related shares (shares of company stock allocated to managers only if certain company-wide performance criteria are met) planned to be issued as approved by a General Meeting of Shareholders.

２． In the SID, the acquisition price is the total SOA price anticipated to be paid to Programmed shareholders (AUD 3.02 per ordinary share). Moreover, a portion of this acquisition price may be paid to Programmed shareholders as a special dividend. Furthermore, apart from this acquisition price, the Programmed Board of Directors has announced it will pay a dividend of AUD 3.5 cents per share as a final dividend at the end of the fiscal year ended March 2017.

３． Amounts in yen shown in brackets are amounts converted at the exchange rate (AUD 1 = JPY 87.32) as of July 13, 2017 (day prior to concluding the SID).

４． Business Merger Date

Mid October 2017 (planned)

５． Fund-raising method used to make payment

Bank loans and own funds