



Summary of Consolidated Financial Results for the 3rd Quarter of the Fiscal Year Ending March 2019 (Based on Japanese GAAP)

14 February 2019

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 (Title): Director, Executive Officer (Chief Financial Officer) Kiyoshi Seki TEL +81 03-3375-2220

Scheduled date to file quarterly report: 14 February 2019

Scheduled date to commence dividend payments: —

Preparation of supplementary quarterly results explanatory material yes/no: Yes

Quarterly results briefing session yes/no: No

(Amounts less than JPY 1 million rounded down)

1. Consolidated Results for the 3rd Quarter of the Fiscal Year Ending March 2019 (April 1, 2018 - December 31, 2018)

(1) Consolidated Operating Results (cumulative) (% indicates ratio of change from same quarter last year)

	Sales		Operating Profit		Ordinary Profit		Quarterly net profit attributable to owners of parent	
	JPY Million	%	JPY Million	%	JPY Million	%	JPY Million	%
3 rd Quarter of the Fiscal Year Ending March 2019	685,231	38.4	32,074	23.8	32,193	23.3	18,738	72.3
3 rd Quarter of the Fiscal Year Ended March 2018	495,085	15.3	25,899	2.4	26,104	1.5	10,872	Δ27.6

Note: Comprehensive income 3rd Quarter of the Fiscal Year Ending March 2019 13,221 JPY Million (15.9%) 3rd Quarter of the Fiscal Year Ended March 2018 11,403 JPY Million (Δ24.0%)

	Quarterly profit per share	Current net profit per share after adjustment for dilution
	JPY	JPY
3 rd Quarter of the Fiscal Year Ending March 2019	80.31	80.30
3 rd Quarter of the Fiscal Year Ended March 2018	46.55	46.55

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	JPY Million	JPY Million	%
3 rd Quarter of the Fiscal Year Ending March 2019	365,083	168,041	41.9
FY Mar 2018	402,336	159,992	36.2

Reference: Equity capital 3rd Quarter of the Fiscal Year Ending March 2019 153,140 JPY Million FY Mar 2018 145,537 JPY Million

2. Dividend Status

	Annual Dividend				
	End Q1	End Q2	End Q3	End of FY	TOTAL
	JPY	JPY	JPY	JPY	JPY
FY Mar 2018	—	9.00	—	10.00	19.00
FY Mar 2019	—	10.00	—		
FY Mar 2019 (Forecast)				10.00	20.00

Note: Revision of most recently announced dividend forecast yes/no: No

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 2019 (April 1, 2018 - March 31, 2019)

(% 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
Full Year	940,000	30.2	42,500	17.8	41,500	18.2	21,800	180.6	93.21

Note: Revision of most recently announced financial results forecast yes/no: 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

Newly established: 4 Companies (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.: No

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) (Unit: shares)

① Number of fully issued shares at period end (including treasury shares)	3Q FY March 2019	236,704,861	FY Mar 2018	236,677,955
② Treasury shares at period end	3Q FY March 2019	3,257,705	FY Mar 2018	3,406,634
③ Average number of shares during the period (cumulative quarter)	3Q FY March 2019	233,331,459	3Q FY March 2018	233,557,977

Note: Number of treasury stock at the end of period: Includes PHD shares held in the "Director Compensation BIP (Board Incentive Plan) trust account", and the "Employee Stock Ownership Plan trust account" ("ESOP Trust") (3Q of fiscal year ending March 2019: 578,648 shares, 3Q of fiscal year ending March 2018: 589,571 shares). Furthermore, PHD shares held in the "Director Compensation BIP (Board Incentive Plan) trust account", and the "Employee Stock Ownership Plan trust account" ("ESOP Trust") are included in treasury stock which are deducted when calculating the average number of shares held in the period.

※ Summaries of quarterly consolidated financial accounts are not subject to quarterly review by Certified Public Accountants or audit firms.

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

(Note regarding forward looking statements etc.)

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.

(Change to method of presenting dates)

From the "Summary of Consolidated Financial Results for the 1st Quarter of the Fiscal Year Ending March 2019" onwards, the method of presenting dates will change from use of the Japanese calendar to the the Western-style calendar.

○Contents of Attachments

1. Qualitative information regarding the financial results for this quarter.....	4
(1) Explanation regarding business performance	4
(2) Explanation regarding the financial position	6
(3) Explanation regarding future forecast information (Consolidated results forecast etc.)	7
2. Quarterly consolidated financial statements & main explanatory notes	8
(1) Quarterly consolidated balance sheet	8
(2) Quarterly consolidated profit & loss statement & quarterly consolidated comprehensive income statement...	10
Quarterly consolidated profit & loss statement.....	10
Consolidated cumulative 3 rd quarter period	10
Quarterly consolidated comprehensive income statement	11
Consolidated cumulative 3 rd quarter period	11
(3) Explanatory notes regarding quarterly consolidated financial statements	12
(Explanatory notes regarding ongoing concern assumptions	12
(Explanatory notes in the event of significant changes in the amount of shareholders' equity)	12
(Application of special accounting treatment when preparing the quarterly consolidated financial statements)	12
(Changes in accounting policy).....	12
(Additional Information)	12
(Segment information etc.)	13

1. Qualitative information regarding the financial results for this quarter

(1) Explanation regarding business performance

The future continues to remain unclear with a heightened degree of uncertainty in the global economy due to US/China trade tensions, and England's exit from the EU. Japan's economy in the consolidated cumulative third quarter period under review was assisted by various domestic economic policies and continued to experience moderate economic growth.

The employment situation in Japan experienced solid recovery with the 2018 average ratio of job offers to job seekers reaching a multiple of 1.61 times: a 45-year record high, and employment levels also continued to remain high. In an employment environment where Japan is approaching full-employment, various human resources related companies find themselves confronted with labor force shortages coupled with abundant demand. That said, the human resources related market in Japan tended to be sound overall. PERSOL Group business results grew due to: enhancements made to strengthen the sales structures in the recruitment business which led to an increase in the number of hire contracts that were successfully closed, steady growth in the PERSOLKELLY segment, and the inclusion of the PROGRAMMED segment etc.

In this type of environment, PHD Group continued to make progress in changing the trading names of subsidiaries of various businesses with a "PERSOL" prefix. PERSOL aims to resolve challenges relating to labor/employment in various sectors by leveraging the integrated strengths within PERSOL Group and which also extend beyond sectoral boundaries.

On 1 October 2018, the Temporary Staffing/BPO segment merged 7 temporary labor businesses into its "PERSOL TEMPSTAFF" entity, and 3 companies merged into one single company in its BPO business. The information held by each of these subsidiaries (registered staff/candidate registrations, customer information, and market information) will be aggregated, and IT technology utilized to enhance the precision and speed of matching job opportunities with candidates. Also, with effect 1 January 2019, the Temporary Staffing/BPO segment acquired the shares of MOL Career Support, Ltd., and on 31 January 2019 acquired shares of Avanti Staff Corporation. This will strengthen PERSOL TEMPSTAFF's coverage of specialized roles such as trade support and finance administration more than ever before, with the aim of these moves being to further enhance corporate value.

The PERSOL Career entity within the Recruiting segment re-branded its 8-year-old "DODA" job change support service brand to "doda" in October 2018. In line with changing times, PERSOL endeavors to express its respect of the value of a diverse range of working people and to evolve into a brand that supports the "work" of each and every person by aiming to assist even more of those individuals who want to change jobs.

PERSOL's overseas businesses saw sales grow steadily within the PERSOLKELLY segment following success in incorporating expansion of its sales organization more than previously, and with the promising APAC region as a backdrop. The aim is to continue to further strengthen the competitiveness of PERSOL's two overseas segments by enhancing PERSOL's presence in the APAC region by expanding the business in the medium to long term together with the PROGRAMMED segment which has a large business platform in Australia.

In addition, aiming to engage in new types of business, a new company providing an integrated support platform for freelancers ("Sharefull Inc.") was established in January 2019 as a joint investment with Lancers Inc. Labor shortages are becoming more severe but on the other hand, in addition to their current jobs, the trend is for an increased number of freelance workers that aspire to work for short periods /limited hours. As such, the "Sharefull Inc." on-demand matching platform has been made available to flexibly address the diversification of work-styles.

As a result of the above, sales during this consolidated cumulative 3rd quarter were JPY 685,231 million (up 38.4% year-on-year (YoY)), operating profit was JPY 32,074 million (up 23.8% YoY), ordinary profit was JPY 32,193 million (up 23.3% YoY), and quarterly net profit attributable to parent company shareholders was JPY 18,738 million (up 72.3% YoY).

Business results by segment (before inter-segment/company write-offs) are as follows:

① Temporary Staffing/BPO Segment

Sales in this segment during this cumulative 3rd quarter consolidated period amounted to JPY 378,435 million (up 5.3% year-on-year (YoY)), and operating profit was JPY 18,015 million (up 6.5% YoY).

With a transition to high levels of corporate results and structural shortages of labor as a backdrop to this consolidated cumulative 3rd quarter period, demand continued to be strong resulting in sales of JPY 378,435 million. On the profit side of the business, there was an increase in costs related to the merger of subsidiaries, but on the other hand, there was an increase in placement fee revenues associated with effects of revisions to Japanese laws that led to corporate clients directly hiring workers. As a result of sales and general administration (SGA) expense control, operating profit was JPY 18,015 million.

② Recruiting Segment

Sales in this segment amounted to JPY 62,249 million (up 18.0% YoY) during this consolidated cumulative 3rd quarter period, and operating profit was JPY 10,770 million (up 56.3% YoY).

Sales in this segment during this consolidated cumulative 3rd quarter period amounted to JPY 62,249 million which were underpinned by continued healthy demand for talent and a shift in awareness relating to changing jobs was mainly reflected in an increase in the number of hire contracts that were successfully closed etc. leading to sales of JPY 62,249 million. On the profit side, marketing costs relating to "doda" branded recruiting declined, and sales structures were reinforced by actively investing in headcount which culminated in a growth of costs. However, the HR placement business played a leading role in expanding sales which resulted in earnings growth exceeding cost growth, leading to operating profit of JPY 10,770 million.

③ PROGRAMMED Segment

Sales in this segment amounted to JPY 151,331 million during this consolidated cumulative 3rd quarter period, and operating profit was JPY 237 million (operating loss in the same period last year was JPY 804 million).

The competitive environment faced by the staffing business changed this consolidated cumulative 3rd quarter period which in turn led to a decline in sales to existing clients. The maintenance business also experienced declines in sales of maintenance services to public sector facilities as well as a decline in equipment maintenance provided at mining facilities which resulted in sales of JPY 151,331 million. On the profit side, operating profit was JPY 237 million as a result of operating cost reductions.

Furthermore, shares of Programmed Maintenance Services Limited were acquired for the PROGRAMMED segment during the previous consolidated cumulative 3rd quarter period leading to a new consolidated subsidiary, and the establishment of a new segment. The closing day of the consolidated cumulative 3rd quarter period for PERSOL Group by 3 months and the deemed acquisition date of the combined corporation was 30 September 2017 whereby the results of the corporation targeted for acquisition were not included in the previous consolidated cumulative 3rd quarter period; it was only the costs associated with the acquisition that were included in the calculations.

④ PERSOLKELLY Segment

Sales in this segment during this consolidated cumulative 3rd quarter period were JPY 55,495 million (up 14.5% YoY), and operating profit was JPY 647 million (operating loss in the same period last year was JPY 314 million).

Sales in this segment during this consolidated cumulative 3rd quarter period amounted to JPY 55,495 million which was the result of expanded sales structures achieved through active strengthening of sales team headcount etc. in response to the buoyant APAC market environment. On the profit side, operating profit was JPY 647 million reflecting an increase in labor costs etc., but on the other hand, revenues from services centered primarily on placement services exceeded cost growth.

⑤ ITO Segment

Sales in this segment during this consolidated cumulative 3rd quarter period amounted to JPY 23,869 million (up 13.6% year-on-year (YoY)), and operating profit was JPY 844 million (down 36.7% YoY).

Sales in this segment during this consolidated cumulative 3rd quarter period amounted to JPY 23,869 million which was the result of progress made in securing engineers in response to healthy demand. On the profit side, operating profit was JPY 844 million as a result of growing costs etc. due to improvements in benefits and proactive business expansion related costs.

⑥ Engineering Segment

Sales in this segment amounted to JPY 21,371 million (up 6.0% YoY) during this consolidated cumulative 3rd quarter period, and operating profit was JPY 1,816 million (up 25.1% YoY).

Sales during this consolidated cumulative 3rd quarter period amounted to JPY 21,371 million which had as a backdrop bullish ordering from clients underpinned by favorable demand for development services in the core automobile related sector. On the profit side, operating profit was JPY 1,816 million supported by a healthy flow of orders.

(2) Explanation regarding the financial position

① Status of assets, liabilities, and net asset

Total assets decreased by JPY 37,252 million compared with the end of the previous consolidated accounting fiscal year. Current assets decreased by JPY 25,241 million, and fixed assets decreased by JPY 12,010 million. The main reason for the decrease in current assets was a decrease in cash and deposits by JPY 16,087 million etc. The main reason for the decrease in fixed assets was a decrease in goodwill by JPY 10,198 million etc.

Liabilities decreased by JPY 45,301 million compared to the end of the previous consolidated accounting fiscal year. Current liabilities decreased by JPY 84,614 million, and non-current liabilities increased by JPY 39,313 million. The main reason for the decrease in current liabilities was a decrease in short-term loans payable by JPY 67,339 million etc. The main causes of the increase in non-current liabilities were: an increase in corporate bonds (up by JPY 20,000 million), and an increase in long-term loans payable (up by JPY 20,000 million) etc.

Net assets increased by JPY 8,048 million compared to the end of the previous consolidated accounting fiscal year. This was mainly caused by: payable dividends of surplus of JPY 4,677 million, and posting JPY 18,738 million in quarterly net profit attributable to parent company shareholders etc. which resulted in increased retained earnings of JPY 14,061 million.

	FY Mar 2019 Consolidated cumulative 3 rd quarter period	FY Mar 2018
Return on Assets (ROA)	5.3%	2.2%
Return on Equity (ROE)	12.5%	5.5%
Ratio of operating income to sales	4.7%	5.0%
Ratio of ordinary profit to sales	4.7%	4.9%
Current ratio	155.0%	106.2%
Fixed assets ratio	104.3%	118.0%
Equity ratio	41.9%	36.2%
Total assets	JPY 365,083 million	JPY 402,336 million
Equity capital	JPY 153,140 million	JPY 145,537 million
Cash and cash equivalents etc. at end of period	JPY 73,468 million	JPY 89,566 million

Note: "Partial revision of "Accounting standards pertaining to Tax Effective Accounting" (Japan Corporate Accounting Standard No. 28 of 16 Feb 2018) etc. have been applied since the beginning of this consolidated accounting 1st quarter period. Said accounting standard etc. was retroactively applied to subsequent indicators and the main management indicators etc. noted above that relate to the previous consolidated fiscal year.

② Business and financial challenges that must be addressed

There were no significant changes in this consolidated cumulative 3rd quarter period to the challenges that must be addressed by PERSOL Group.

(3) Explanation of future forecast information (consolidated results forecast etc.)

Business results in this consolidated cumulative 3rd quarter period was on the whole largely as anticipated. For this reason, the consolidated results forecast has not been changed since being released on 15 May 2018.

2. Quarterly consolidated financial statements & main explanatory notes

(1) Quarterly consolidated balance sheet

(Unit: JPY million)

	Previous consolidated fiscal year (March 31, 2018)	This 3 rd quarter consolidated accounting period (December 31, 2018)
Assets		
Current Assets		
Cash and deposits	89,624	73,537
Notes and accounts receivable-trade	120,254	114,260
Work in process	8,049	8,729
Other	13,251	9,351
Allowance for doubtful accounts	△627	△569
Total current assets	230,552	205,310
Non-Current Assets		
Fixed assets		
Buildings and structures, net	3,237	3,345
Tools, furniture and fixtures, net	1,234	1,168
Land	802	779
Other, net	2,718	2,372
Tangible fixed assets total	7,993	7,685
Intangible assets		
Trademark rights	11,152	10,433
Goodwill	102,113	91,914
Other	20,629	21,789
Intangible assets total	133,894	124,137
Investments and other assets		
Investment securities	12,542	11,226
Deferred tax assets	4,636	3,554
Other	12,732	13,182
Allowance for doubtful accounts	△16	△14
Total investments and other assets	29,895	27,949
Total Fixed assets	171,783	159,773
Total Assets	402,336	365,083

(Unit: JPY million)

	Previous consolidated fiscal year (March 31, 2018)	This 3 rd quarter consolidated accounting period (December 31, 2018)
Liabilities		
Current Liabilities		
Accounts payable – trade	1,597	774
Short-term loans payable	85,288	17,949
Current portion of long-term loans payable	4,640	2,320
Accounts payable	67,409	64,458
Accrued income taxes	8,905	5,398
Accrued consumption taxes	13,796	13,419
Provision for bonuses	9,931	6,090
Reserve for bonuses for Directors	6	25
Provisions - other	736	750
Other	24,788	21,300
Total Current Liabilities	217,102	132,487
Non-Current Liabilities		
Bonds payable	—	20,000
Long-term loans payable	15,713	35,713
Deferred tax liabilities	5,209	4,721
Liabilities related to retirement benefits	1,174	381
Provision for share benefits	126	228
Provision for Directors' share benefits	115	216
Provisions - other	268	197
Other	2,634	3,095
Total Non-current liabilities	25,241	64,554
Total Liabilities	242,343	197,042
Net assets		
Shareholders' equity		
Capital	17,467	17,479
Capital surplus	20,182	20,396
Retained earnings	105,993	120,054
Treasury shares	△4,576	△4,390
Total Shareholders' Equity	139,066	153,539
Accumulated other comprehensive income		
Valuation difference on marketable securities	3,179	1,896
Foreign currency translation adjustment	3,291	△2,295
Total accumulated other comprehensive income	6,470	△399
Non-controlling interests	14,455	14,901
Total net assets	159,992	168,041
Total Liabilities and shareholders' equity	402,336	365,083

(2) Quarterly consolidated profit and loss statement & quarterly consolidated comprehensive income statement
(Quarterly consolidated profit and loss statement)
(Consolidated cumulative 3rd quarter period)

(Unit: JPY million)

	Previous consolidated cumulative 3 rd quarter period (From April 1, 2017 To Dec 31, 2017)	This consolidated cumulative 3 rd quarter period (From April 1, 2018 To Dec 31, 2018)
Sales	495,085	685,231
Cost of sales	376,761	533,979
Gross profit	118,323	151,252
Selling, general and administrative expenses (SGA)	92,424	119,178
Operating Profit	25,899	32,074
Non-operating income		
Interest income	22	29
Dividends income	111	138
Subsidy income	503	204
Share of profit of entities accounted for using equity method	56	232
Gains on foreign currency exchange	—	329
Other	103	65
Total non-operating profit	796	999
Non-operating expenses		
Interest expenses	111	664
Bond issuance expenses	—	102
Losses on foreign exchange	444	—
Other	34	112
Total non-operating expenses	591	880
Ordinary Profit	26,104	32,193
Extraordinary income		
Gain on sales of subsidiaries and affiliates' shares	0	62
Gain on revision of retirement benefit plan	2	—
Gain on sales of investment securities	65	111
Gain on sales of fixed assets	—	38
Gain on revision of retirement benefit plan	—	56
Extraordinary income total	68	268
Extraordinary losses		
Loss on disposal of non-current assets	—	18
Impairment loss	5,584	167
Loss on sales of subsidiaries and affiliates' shares	—	3
Loss on valuation of investment securities	28	14
Early extra retirement payments	17	—
Loss on revision of retirement benefit plan	261	—
Total extraordinary losses	5,891	204
Net quarterly profit before taxes etc.	20,281	32,257
Corporate tax, resident tax, and business tax	9,001	10,440
Corporate tax etc.-deferred	1,382	1,524
Total corporate taxes etc.	10,384	11,965
Quarterly net profit	9,896	20,292
Quarterly net profit/loss (Δ) attributable to non-controlling shareholders	Δ975	1,553
Quarterly net profit attributable to parent company shareholders	10,872	18,738

(Quarterly consolidated comprehensive income statement)
(Consolidated cumulative 3rd quarter period)

(Unit: JPY million)

	Previous consolidated cumulative 3 rd quarter period (From April 1, 2017 To Dec 31, 2017)	This consolidated cumulative 3 rd quarter period (From April 1, 2018 To Dec 31, 2018)
Quarterly net profit	9,896	20,292
Other comprehensive income		
Valuation difference on marketable securities	723	Δ1,282
Foreign currency translation adjustment	783	Δ5,642
Remeasurements of defined benefit plans, net of tax	—	Δ145
Total other comprehensive income	1,506	Δ7,070
Quarterly comprehensive income	11,403	13,221
(Breakdown)		
Quarterly comprehensive income attributable to parent company shareholders	12,268	11,868
Quarterly comprehensive income attributable to non-controlling interests	Δ864	1,352

(3) Explanatory notes regarding quarterly consolidated financial statements

(Explanatory notes regarding ongoing concern assumptions)

No applicable matters.

(Explanatory notes in the event of 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.

(Changes in accounting policy)

For some of the subsidiaries that exist overseas, from the 1st quarter consolidated accounting period onwards, IFRS Article 9 (financial products) and, IFRS Article 15 (earnings arising from contracts with clients) were applied. The impact of the application of said accounting standard on the quarterly consolidated financial statements is deemed to be insignificant.

(Additional information)

Application of partial revisions to the "Accounting standards pertaining to Tax Effective Accounting" etc.

Application of partial revisions to the "Accounting standards pertaining to Tax Effective Accounting" etc. (Corporate Accounting Standards; Article 28 of 16 Feb 2018) etc. occurred at the beginning of the quarterly consolidated accounting period. Deferred tax assets were shown in the "Investments & other assets" classification, and Deferred tax liabilities were shown in the "Non-current liabilities" classification.

(Segment information etc.)

(Segment information etc.)

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

Previous consolidated cumulative 3rd quarter period (from April 1, 2017 to December 31, 2017)

(Unit: JPY million)

	Reporting segment							Other Note 1:	TOTAL	Adjustments Note 2:	Quarterly consolidated profit and loss statement Note 3:
	Temp/BPO	Recruiting	PROGRAMMED	PERSOL KELLY	ITO	Engineering	Total amount				
Sales											
Sales to external clients	357,685	52,081	—	48,405	15,528	20,148	493,848	1,235	495,084	0	495,085
Internal sales or transfers between segments	1,577	655	—	47	5,476	6	7,762	1,887	9,649	Δ9,649	—
Total amount	359,263	52,736	—	48,452	21,004	20,154	501,611	3,123	504,734	Δ9,648	495,085
Segment profits or losses (Δ)	16,908	6,890	Δ804	Δ314	1,335	1,451	25,466	Δ139	25,327	572	25,899

This consolidated cumulative 3rd quarter period (from April 1, 2018 to December 31, 2018)

(Unit: JPY million)

	Reporting segment							Other Note 1:	TOTAL	Adjustments Note 2:	Quarterly consolidated profit and loss statement Note 3:
	Temp/BPO	Recruiting	PROGRAMMED	PERSOL KELLY	ITO	Engineering	Total amount				
Sales											
Sales to external clients	376,316	61,384	151,331	55,450	17,716	21,365	683,565	1,656	685,222	9	685,231
Internal sales or transfers between segments	2,119	864	—	44	6,152	5	9,186	2,563	11,749	Δ11,749	—
Total amount	378,435	62,249	151,331	55,495	23,869	21,371	692,751	4,219	696,971	Δ11,739	685,231
Segment profits or losses (Δ)	18,015	10,770	237	647	844	1,816	32,333	Δ175	32,157	Δ83	32,074

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 etc.

2. Details of these revisions are as follows.

(Unit: JPY million)

	Previous consolidated cumulative 3 rd quarter period	This consolidated cumulative 3 rd quarter period
Inter-segment write-offs	Δ214	Δ184
Company-wide revenues ※1	5,977	6,880
Company-wide expenses ※2	Δ5,190	Δ6,779
TOTAL	572	Δ83

※1. Company-wide revenues: mainly business management fees from Group companies, and dividends received.

※2. Company-wide expenses: mainly expenses arising in PHD related to management of Group companies.

3. Segment profit and loss: Adjusted with operating profit calculated in the quarterly consolidated profit and loss statement.

2. Information relating to assets of each reporting segment

Previous consolidated cumulative 3rd quarter period (from April 1, 2017 to December 31, 2017)

During the previous consolidated cumulative 3rd quarter period, a new acquisition of Programmed Maintenance Services Limited shares took place, and its subsidiaries have been included in the scope of consolidation. Accordingly, assets of the reporting segments increased by JPY 128,392 million in PROGRAMMED segment during this cumulative 3rd quarter consolidated period.

This consolidated cumulative 3rd quarter period (from April 1, 2018 to December 31, 2018)

No applicable matters.

3. Matters relating to reporting segment changes etc.

Previous consolidated cumulative 3rd quarter period (from April 1, 2017 to December 31, 2017)

During the previous consolidated cumulative 3rd quarter period, a new acquisition of Programmed Maintenance Services Limited shares took place, and its subsidiaries have been included in the scope of consolidation. Accordingly, companies in the ambit of the Programmed Ltd group of companies formed the newly created "PROGRAMMED" Segment. Also, the segment demarcation formerly known as the "Overseas" Segment underwent a name change and became the "PERSOLKELLY" Segment. This transition is manifested in 6 reporting segments: Temporary Staffing/BPO, Recruiting, PROGRAMMED, PERSOLKELLY, ITO, and Engineering.

This consolidated cumulative 3rd quarter period (from April 1, 2018 to December 31, 2018)

No applicable matters.

4. Information concerning impairment losses of non-current assets or goodwill etc. in each reporting segment (Significant impairment losses relating to non-current assets)

Previous consolidated cumulative 3rd quarter period (from April 1, 2017 to December 31, 2017)

Goodwill was factored into calculations at the time that shares were acquired in consolidated subsidiaries Capita Pte. Ltd., First Alliances Co., Ltd., Kelly Services (Singapore) Pte. Ltd., and Kelly Services (India) Pvt. Ltd. However, anticipated profits can no longer be expected, so the book value has been reduced to the recoverable value. As a result of these circumstances, an impairment loss of JPY 5,577 million was booked in relation to the PERSOLKELLY segment.

This consolidated cumulative 3rd quarter period (from April 1, 2018 to December 31, 2018)

Description is omitted due to insignificant effect on financial situation.

(Important changes to goodwill amounts)

Previous consolidated cumulative 3rd quarter period (from April 1, 2017 to December 31, 2017)

Goodwill in the PROGRAMMED segment increased by JPY 52,583 million as a result of the acquisition of shares in Programmed Maintenance Services Limited with effect on October 27, 2017 and making it a new consolidated subsidiary.

This consolidated cumulative 3rd quarter period (from April 1, 2018 to December 31, 2018)

No applicable matters.