



Summary of Consolidated Financial Results for the 1st Quarter of the Fiscal Year Ending March 2020 (Based on Japanese GAAP)

9 August 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 (Name) Masamichi Mizuta

Inquiries (Title) Director, Executive Officer (Chief Financial Officer) (Name) Kiyoshi Seki TEL 03-3375-2220

Scheduled date to file quarterly report: 13 August 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 1st Quarter of the Fiscal Year Ending March 2020 (April 1, 2019 - June 30, 2019)

(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	%
1Q of the FY Ending March 2020	235,218	4.1	10,057	Δ12.8	10,368	Δ7.6	5,466	Δ17.6
1Q of the FY Ended March 2019	225,929	39.6	11,530	26.5	11,219	18.5	6,631	22.2

Note: Comprehensive income 1Q of the FY Ending March 2020 6,915 JPY Million (515.5%) 1Q of the FY Ended March 2019 1,123 JPY Million (Δ79.9%)

	Quarterly net profit per share	Quarterly net profit per share after adjustment for dilution
	JPY	JPY
1Q of the Fiscal Year Ending March 2020	23.42	—
1Q of the Fiscal Year Ended March 2019	28.43	28.43

Reference: Equity method investment gain & loss

1Q of FY ending Mar 2020 JPY 124 million (Δ3.9%) 1Q of FY ended Mar 2019 JPY 129 million (48.8%)

EBITDA (operating profit + depreciation + amortization of goodwill)

1Q of FY ending Mar 2020 JPY 14,416 million (Δ6.4%) 1Q of FY ended Mar 2019 JPY 15,401 million (33.1%)

Net profit prior to amortization of goodwill (current period net profit attributable to parent company shareholders + goodwill amortization)

1Q of FY ending Mar 2020 JPY 7,600 million (Δ13.5%) 1Q of FY ended Mar 2019 JPY 8,787 million (25.6%)

EPS after adjustment

1Q of FY ending Mar 2020 34.66 (Δ9.9%) 1Q of FY ended Mar 2019 38.47 (26.2%)

Note: EPS after adjustment: Current net profit after adjustment / (average number of issued shares during the FY - average number of treasury shares during the FY)

1Q net profit after adjustment: Current period net profit attributable to parent company shareholders ± adjusted items (not including non-controlling shareholding interests) ± Certain monetary amounts of tax relating to some of the adjusted items

Adjusted items: amounts of amortization relating to intangible fixed assets and goodwill arising from the corporate merger ± extraordinary profit/loss.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	JPY Million	JPY Million	%
1Q of the FY Ending March 2020	365,717	174,207	43.4
FY ended Mar 2019	370,839	170,925	42.0

Reference: Equity capital 1Q of the FY Ending March 2020 158,682 JPY Million FY ended Mar 2019 155,593 JPY Million

2. Dividend Status

	Annual Dividend				
	End 1Q	End 2Q	End 3Q	End of FY	TOTAL
	JPY	JPY	JPY	JPY	JPY
FY ended Mar 2019	—	10.00	—	15.00	25.00
FY ending Mar 2020	—				
FY ending Mar 2020 (Forecast)		15.00	—	15.00	30.00

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

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 2020 (April 1, 2019 - March 31, 2020)

(% indicates ratio of change from: the previous full FY, same quarter in the previous FY)

	Net Sales		Operating Profit		Ordinary Profit		Current period net profit attributable to parent company shareholders		Current period net profit per share Net Profit
	JPY Million	%	JPY Million	%	JPY Million	%	JPY Million	%	JPY
2 nd Q (cumulative)	482,500	6.7	20,800	1.7	20,800	0.7	9,600	△19.9	41.12
Full Year	990,000	6.9	43,000	△2.5	43,000	△2.2	21,700	△10.9	92.95

Reference: EBITDA

Net profit prior to amortization of goodwill

Adjusted EPS

March 2020: 61,000 million JPY

March 2020: 30,300 million JPY

March 2020: 143.71 JPY per share

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: Yes

③ Changes in accounting estimates: Yes

④ Restatement of revised statements: No

Note: For details please refer to P.11 in the attached material: "2. Quarterly consolidated financial statements & main explanatory notes (3) Explanatory notes regarding quarterly consolidated financial statements".

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

(Unit: shares)

① Number of fully issued shares at period end (including treasury stock)	1Q of fiscal year ending March 2020	236,704,861	FY ended Mar 2019	236,704,861
② Treasury shares at period end	1Q of fiscal year ending March 2020	3,252,717	FY ended Mar 2019	3,256,316
③ Average number of shares during the period (cumulative quarter)	1Q of fiscal year ending March 2020	233,450,628	1Q of fiscal year ended March 2019	233,275,125

Note: Number of treasury shares at the end of period: Includes PHD shares held in the "Director Compensation BIP (Board Incentive Plan) trust account", and the "Employee Share Ownership Plan trust account" ("ESOP Trust") (1Q of the fiscal year ending March 2020: 573,602 shares, fiscal year ending March 2019: 577,235 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.

○ 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.)	6
2. Quarterly consolidated financial statements & main explanatory notes	7
(1) Quarterly consolidated balance sheet	7
(2) Quarterly consolidated profit and loss statement & quarterly consolidated comprehensive income statement	9
Quarterly consolidated profit and loss statement	9
Consolidated cumulative 1 st quarter period	9
Quarterly consolidated comprehensive income statement	10
Consolidated cumulative 1 st quarter period	10
(3) Explanatory notes regarding quarterly consolidated financial statements	11
(Explanatory notes regarding ongoing concern assumptions)	11
(Explanatory notes in the event of significant changes in the amount of shareholders' equity)	11
(Application of special accounting treatment when preparing the quarterly consolidated financial statements)	11
(Changes in accounting policy)	11
(Application of IFRS No.16 "Lease")	11
(Changes in accounting policy which are difficult to differentiate from changes in accounting estimates)	11
(Segment information etc.)	12
(Important subsequent events)	13

1. Qualitative information regarding the financial results for this quarter

(1) Explanation regarding business performance

While the future continues to remain unclear due to uncertainty in overseas economies against the backdrop of US/China trade tensions etc., Japan's economy in this consolidated first quarter was assisted by various financial legislative policies and continued to experience moderate economic growth.

Regarding the employment situation, as of June 2019 the ratio of job offers to job seekers (seasonally adjusted) remained high at 1.61 and the unemployment rate remained low at 2.3%. In an employment environment which has achieved close to full-employment, human resource companies are confronted by labor shortages coupled with abundant demand. The market for human resource services has generally remained strong. PERSOL Group has also performed well as demand from clients in our core temporary staffing business has remained strong, and our sales system in the recruitment business has been strengthened. In the overseas business as well, against the backdrop of vigorous demand for human resources in the Asia Pacific region, sales has remained strong particularly in the South East Asian region.

Within this environment, PERSOL Group aims to resolve issues relating to diversifying personal work styles and corporate human resource issues, which are becoming increasingly complex, by applying the collective strength of PERSOL Group which extends beyond sectors.

In the Temporary Staffing/BPO segment, PERSOL will continue exert its efforts in stabilizing employment for temporary staffing through proactive measures to comply with the Worker Dispatching Act and various legislative revisions. Furthermore, by maximizing use of PERSOL's core system GENESIS to further productivity improvements and strengthen workforce to job matching for services improvement, the "Kurume Job Coordinator Center" was newly established in April 2019. Hereafter, PERSOL will integrate matching work for the West Japan area to the newly established "Kurume Job Coordinator Center" and will apply it endeavor to further raise productivity and improve services.

In the Recruiting segment, a decision has been made in August 2019 to terminate the casual/part-time recruitment information service business "an" as of November 2019. As for the "an" business which targets the casual/part-time employment sector, the business was late in transitioning from paper to Web services and its competitiveness has been decreasing for the last few years. Faced with this business environment, it was judged that it would be difficult to adequately address the needs of clients with the conventional business model for the casual/part-time work market. Decision was made to focus management resources in the mid-career recruitment support/job change support sector which is experiencing ongoing rapid growth (job change service "doda" and job change media advertising business). For the time being, the role as a "for-fee" listing service for part-time help-wanted ads will come to an end, but this will lead to the creation of new businesses that address the challenges of hiring/employment in the casual/part-time work sector.

In April 2019, PERSOL INNOVATION Co., Ltd. started its business to accelerate new business and technology investment. PERSOL will develop new businesses such as the "Sharefull", a matching platform for job seekers looking for short-term/short-hours work which began from March 2019, and will proactively invest in technology to raise the level of services for existing businesses.

In the overseas business, within a favorable market environment particularly in the South East Asia region, proactive sales system expansion succeeded in increasing sales for the PERSOLKELLY segment. However, the introduction of a common business system for countries in the Australian region did not proceed as planned, confusion occurred in implementing response measures for clients, and business productivity declined. Recovery measures currently being implemented will be continued to raise business productivity. In the PROGRAMMED segment, a new Managing Director was appointed consequent to the retirement of the Managing Director in June 2019, and operations will start under the new organization from October 2019. With signs indicating a slowdown in the Australian economy, the staffing business has proceeded on acquiring new clients and enhancing sales activity in growth sectors (growth industries) but such efforts has not accomplished results as planned. However in maintenance business, major contracts are being acquired against the backdrop of demand for infrastructural investment in Australia. PERSOL will continue to strengthen its competitiveness to expand its business and enhance its presence in the Asia Pacific region in the medium to long-term.

For the aforementioned reasons, sales during this consolidated cumulative 1st quarter was JPY 235,218 million (up 4.1% year-on-year), operating profit was JPY 10,057 million (down 12.8% YOY), ordinary profit was JPY 10,368 million (down 7.6% YOY), and quarterly net profit attributable to parent company shareholders was JPY 5,466 million (down 17.6% 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 consolidated cumulative 1st quarter period amounted to JPY 131,429 million (up 5.2% year-on-year) and operating profit was JPY 6,311 million (down 8.5% YOY).

Continuing from the previous consolidated fiscal year, sales of JPY 131,429 million was achieved owing to corporate profits remaining stable and strong demand underpinned by structural shortages of labor. On the profits side, as the number of operating days decreased due to the long-term holiday accompanying the era name change in May, operating profit was JPY 6,311 million.

② Recruiting Segment

Sales in this segment for the consolidated cumulative 1st quarter period amounted to JPY 23,549 million (up 13.6% year-on-year) and operating profit was JPY 4,703 million (up 11.4% YOY).

Sales in this segment during this consolidated cumulative 1st quarter period amounted to JPY 23,549 million due to an increase in the number of contracts closed in the recruiting segment which was underpinned by ongoing robust demand for human resources and a shift in awareness relating to job-changing. Although costs increased to add staff to address robust demand for HR, operating profit reached JPY 4,703 million due to the effect of growth in sales in the recruiting segment and the full-time employee recruiting ad business.

③ PROGRAMMED Segment

Sales in this segment during this consolidated cumulative 1st quarter period amounted to JPY 46,444 million (down 9.8% year-on-year) and operating profit was JPY 73 million (down 68.8% YOY).

For the consolidated cumulative 1st quarter period, together with blunt business confidence in the Australian economy, the transition to growth sectors in staffing business was belated and sales decreased. In the maintenance business, although sales increased due to long-term large facility maintenance contracts, decreased income from the staffing business could not be compensated, and sales became JPY 46,444 million. Of this 9.8% year-on-year decrease in sales, 7.8% was due to the impact of exchange rate fluctuations. Operating profit was JPY 73 million due to decreased yield from the staffing business.

④ PERSOLKELLY Segment

Sales in this segment during this consolidated cumulative 1st quarter period was JPY 20,568 million (up 19.2% year-on-year), and operating loss was JPY 230 million (operating loss in the same period last year was JPY 76 million).

Sales in this segment during this consolidated cumulative 1st quarter period amounted to JPY 20,568 million as a result of expanding the sales system such as by proactively strengthening manpower in response to the buoyant South East Asian market environment. While there was growth in services predominantly in the temporary staffing business, business productivity declined as the introduction of the country-common business system in the Australian region did not proceed as planned. In result, operating loss was JPY 230 million.

⑤ ITO Segment

Sales in this segment during this consolidated cumulative 1st quarter period was JPY 8,986 million (up 25.1% year-on-year), and operating loss was JPY 345 million (operating loss in the same period last year was JPY 65 million).

Sales in this segment during this consolidated cumulative 1st quarter period amounted to JPY 8,986 million due to proactive hiring of engineers in response to robust demand such as from increased systems investment by client corporations. Operating loss was JPY 345 million as a result of increased labor costs associated with improvements in work conditions and proactive hiring of engineers.

⑥ Engineering Segment

Sales in this segment during this consolidated cumulative 1st quarter period amounted to JPY 6,373 million (down 1.0% year-on-year) and operating profit was JPY 11 million (down 92.5% YOY).

In the consolidated cumulative 1st quarter period, sales became JPY 6,373 million as a result of diminished orders from major clients primarily in the electrical sector. Operating profit was JPY 11 million as a result of increased labor costs associated with hiring of engineers.

(2) Explanation regarding the financial position

① Assets, liabilities, and net assets

Total assets decreased by JPY 5,122 million compared with the end of the previous consolidated fiscal year. Current assets decreased by JPY 8,772 million, and fixed assets increased by JPY 3,650 million. The main reason for the decrease in current assets was a decrease in cash and deposits by JPY 8,407 million. The main reason for the increase in fixed assets was an increase in right-of-use assets (net price) by JPY 5,066 million.

Liabilities decreased by JPY 8,404 million compared to the end of the previous consolidated fiscal year. Current liabilities decreased by JPY 2,125 million, and non-current liabilities decreased by JPY 6,279 million. The main reasons for the decrease in current liabilities was that while current portion of long-term debt increased by JPY 10,020 million, accrued income taxes decreased by JPY 7,451 million and allowance for bonus decreased by JPY 5,237 million. The main reasons for the decrease in non-current liabilities were an increase in lease obligations of JPY 3,552 million and a decrease in long-term loans payable of JPY 10,020 million.

Net assets increased by JPY 3,282 million compared to the end of the previous consolidated fiscal year. The main reason was an increase in retained earnings of JPY 1,956 million due to payment of JPY 3,510 million in dividend of surplus and posting JPY 5,466 million in quarterly net profit attributable to parent company shareholders etc.

	FY ending Mar 2020 Consolidated cumulative 1 st quarter period	FY ended Mar 2019
Return on Assets (ROA)	1.6%	6.8%
Return on Equity (ROE)	3.5%	16.2%
Ratio of operating income to sales	4.3%	4.8%
Ratio of ordinary profit to sales	4.4%	4.8%
Current ratio	140.8%	144.8%
Fixed assets ratio	103.8%	103.5%
Equity ratio	43.4%	42.0%
Total assets	365,717JPY Million	370,839JPY Million
Equity capital	158,682JPY Million	155,593JPY Million
Cash and cash equivalents etc. at end of period	60,571JPY Million	68,969JPY Million

② Business and financial challenges that must be dealt with

There were no significant changes in this consolidated cumulative 1st quarter period to the challenges that must be dealt with by PERSOL Group.

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

The consolidated financial results forecast for this year has been disclosed including the consequence of termination of casual/part-time recruitment information service business “an”.

2. Quarterly consolidated financial statements & main explanatory notes
(1) Quarterly consolidated balance sheet

(Unit: JPY million)

	Previous consolidated fiscal year (March 31, 2019)	This consolidated accounting 1 st quarter period (June 30, 2019)
Assets		
Current Assets		
Cash and deposits	69,029	60,621
Notes and accounts receivable-trade	122,908	120,247
Work in process	7,342	8,276
Other	11,251	12,620
Allowance for doubtful accounts	△ 686	△ 693
Total current assets	209,845	201,072
Non-current Assets		
Fixed assets		
Buildings and structures, net	3,397	3,666
Tools, furniture and fixtures, net	1,303	1,386
Right-of-use assets, net	—	5,066
Land	799	799
Other, net	2,156	2,265
Tangible fixed assets total	7,657	13,185
Intangible assets		
Trademark rights	10,069	10,041
Goodwill	91,763	89,925
Other	20,539	20,875
Intangible assets total	122,372	120,842
Investments and other assets		
Investment securities	11,894	12,801
Deferred tax assets	5,770	4,426
Other	13,317	13,428
Allowance for doubtful accounts	△ 17	△ 39
Total investments and other assets	30,964	30,616
Total fixed assets	160,994	164,644
Total Assets	370,839	365,717

(Unit: JPY million)

	Previous consolidated fiscal year (March 31, 2019)	This consolidated accounting 1 st quarter period (June 30, 2019)
Liabilities		
Current Liabilities		
Accounts payable – trade	741	784
Short-term loans payable	5,044	4,590
Current portion of long-term loans payable	10,001	20,021
Accounts payable	68,307	68,344
Accrued income taxes	11,384	3,933
Accrued consumption taxes	14,159	13,752
Provision for bonuses	11,730	6,492
Reserve for bonuses for Directors	14	19
Provisions - other	745	722
Other	22,789	24,134
Total Current Liabilities	144,919	142,793
Non-Current Liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	25,748	15,728
Lease debts	106	3,659
Deferred tax liabilities	5,042	5,309
Liabilities related to retirement benefits	905	877
Provision for share benefits	261	290
Provision for Directors' share benefits	291	343
Provisions - other	217	63
Other	2,421	2,444
Total Non-current liabilities	54,995	48,716
Total Liabilities	199,914	191,509
Net assets		
Shareholders' equity		
Capital	17,479	17,479
Capital surplus	20,396	20,396
Retained earnings	125,677	127,633
Treasury shares	△4,387	△4,379
Total Shareholders' Equity	159,165	161,129
Accumulated other comprehensive income		
Valuation difference on marketable securities	2,346	2,870
Foreign currency translation adjustment	△5,919	△5,318
Total accumulated other comprehensive income	△3,572	△2,447
Non-controlling interests	15,331	15,525
Total net assets	170,925	174,207
Total Liabilities and shareholders' equity	370,839	365,717

(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 1 st quarter period (From April 1, 2018 to June 30, 2018)	This consolidated cumulative 1 st quarter period (From April 1, 2019 to Jun 30, 2019)
Sales	225,929	235,218
Cost of sales	175,325	181,391
Gross profit	50,604	53,826
Selling, general and administrative expenses (SGA)	39,073	43,769
Operating Profit	11,530	10,057
Non-operating income		
Interest income	13	16
Dividends income	98	110
Subsidy income	60	195
Share of profit of entities accounted for using equity method	129	124
Other	23	11
Total non-operating profit	325	458
Non-operating expenses		
Interest expenses	244	116
Losses on foreign exchange	194	22
Bond issuance expenses	102	—
Other	95	8
Total non-operating expenses	637	147
Ordinary Profit	11,219	10,368
Extraordinary income		
Gain on sales of fixed assets	9	29
Gain on sales of investment securities	—	7
Gain on transfer of business	—	33
Gain on revision of retirement benefit plan	56	—
Extraordinary income total	65	69
Extraordinary losses		
Business reorganization losses	—	495
Loss on sales of subsidiaries and affiliates' shares	3	—
Loss on valuation of investment securities	14	—
Total extraordinary losses	18	495
Net quarterly profit before taxes etc.	11,267	9,942
Corporate tax, resident tax, and business tax	2,877	2,846
Corporate tax etc.-deferred	1,427	1,370
Total corporate taxes etc.	4,305	4,217
Quarterly net profit	6,961	5,725
Quarterly net profit attributable to non-controlling interests	329	259
Quarterly net profit attributable to parent company shareholders	6,631	5,466

(Quarterly consolidated comprehensive income statement)
(Consolidated cumulative 1st quarter period)

(Unit: JPY million)

	Previous consolidated cumulative 1 st quarter period (From April 1, 2018 to June 30, 2018)	This consolidated cumulative 1 st quarter period (From April 1, 2019 to Jun 30, 2019)
Quarterly net profit	6,961	5,725
Other comprehensive income		
Valuation difference on marketable securities	△ 320	523
Foreign currency translation adjustment	△ 5,348	655
Remeasurements of defined benefit plans, net of tax	△ 0	—
Equity interest in affiliated companies accounted for by the equity-method	△ 168	11
Total other comprehensive income	△ 5,838	1,190
Quarterly comprehensive income	1,123	6,915
(Breakdown)		
Quarterly comprehensive income attributable to parent company shareholders	1,086	6,591
Quarterly comprehensive income attributable to non-controlling interests	37	324

- (3) Explanatory notes regarding quarterly consolidated financial statements
(Explanatory notes regarding assumptions of ongoing companies)
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)

(Application of IFRS No.16 "Lease")

From this consolidated 1st quarter accounting period, IFRS No.16 "Lease" (January 13, 2016. Hereafter referred to as "IFRS No.16") will apply to controlled foreign corporations which apply to International Financial Reporting Standards (IFRS). With the application of IFRS No.16, in principle, all borrower lease assets and liabilities will be recognized.

With the application of this standard, the consolidated balance sheet will show an increase in right-of-use assets (net price) of JPY 5,066 million, other current liabilities JPY 1,736 million, and lease obligations JPY 3,570 million.

The impact of this change on profits and losses for this consolidated cumulative first quarter period was minor.

(Changes in accounting policy which are difficult to differentiate from changes in accounting estimates)

(Change in depreciation method for tangible fixed assets)

As for the depreciation method for tangible fixed assets (except lease assets) of PERSOL and domestic consolidated subsidiaries, the declining balance method that was mainly employed before has been changed to a straight-line method from this first quarter.

PERSOL began a joint venture in the Asia Pacific region on the occasion of its strategic business tie-up with a major U.S. human resource services company Kelly Services Inc. in 2010, and expanded its overseas development by acquiring shares of Programmed Maintenance Services Limited in 2017. As there is increasing need to integrate Group accounting procedures, and as the long-term stable operation of tangible fixed assets can be anticipated hereafter upon reassessing the actual usage of tangible fixed assets on the occasion of the relocation/consolidation of the PERSOL Head Office in January 2019, the straight line method was judged to more accurately reflect the usage situation.

For the consolidated cumulative 1st quarter period, the impact on the consolidated quarterly financial statements is deemed to be minimal.

(Segment information etc.)

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

Previous consolidated cumulative 1st quarter period (from April 1, 2018 to June 30, 2018)

(Unit: JPY million)

	Reporting segment							Other Note 1:	TOTAL	Adjustment s 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	124,245	20,478	51,495	17,253	5,501	6,437	225,412	514	225,927	1	225,929
Internal sales or transfers between segments	694	259	—	1	1,680	1	2,637	903	3,541	△3,541	—
Total amount	124,940	20,738	51,495	17,254	7,181	6,439	228,049	1,418	229,468	△3,539	225,929
Segment profits or losses (△)	6,897	4,222	234	△76	△65	146	11,359	84	11,443	87	11,530

This consolidated cumulative 1st quarter period (from April 1, 2019 to June 30, 2019)

(Unit: JPY million)

	Reporting segment							Other Note 1:	TOTAL	Adjustment s 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	130,614	23,268	46,444	20,562	6,851	6,371	234,113	1,097	235,210	7	235,218
Internal sales or transfers between segments	815	280	—	6	2,134	1	3,238	1,389	4,627	△4,627	—
Total amount	131,429	23,549	46,444	20,568	8,986	6,373	237,351	2,486	239,837	△4,619	235,218
Segment profits or losses (△)	6,311	4,703	73	△230	△345	11	10,522	△196	10,326	△268	10,057

Note 1. The “Other” category refers to business segments that are not included in reporting segments that include Group-wide business functions, education and training, business related to disabled, facility management, etc.

2. Details of these revisions are as follows.

(Unit: JPY million)

	Previous consolidated cumulative 1 st quarter period	Current consolidated cumulative 1 st quarter period
Inter-segment write-offs	△78	△66
Company-wide revenues *1	2,299	2,397
Company-wide expenses *2	△2,133	△2,599
TOTAL	87	△268

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

*2. Company-wide expenses: mainly expenses arising in PERSOL 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. Matters relating to reporting segment changes etc.
 - Previous consolidated cumulative 1st quarter period (from April 1, 2018 to June 30, 2018)
No applicable matters.
 - This consolidated cumulative 1st quarter period (from April 1, 2019 to June 30, 2019)
No applicable matters.
3. Information concerning impairment losses of fixed assets or amortization of goodwill etc. in each reporting segment
 - (Important impairment losses relating to fixed assets)
 - Previous consolidated cumulative 1st quarter period (from April 1, 2018 to June 30, 2018)
No applicable matters.
 - This consolidated cumulative 1st quarter period (from April 1, 2019 to June 30, 2019)
Termination of the casual/part-time work sector business “an” was decided at the board of directors meeting of August 1, 2019. As a result of this event, an impairment loss of JPY 426 million was booked for the Recruiting segment.
This impairment loss is recorded as a loss from restructuring in the quarterly consolidated income statement.

(Important subsequent events)

(Partial close of business for PERSOL consolidated subsidiaries)

At the board of directors meeting held on August 1, 2019, a resolution was made to end the “an” service operated by PERSOL CAREER CO., LTD., a consolidated subsidiary of PERSOL HOLDINGS.

1. Description and scale of business to be terminated
 - Business description: casual/part-time work sector business “an” operated by PERSOL CAREER CO., LTD.
 - Business scale: JPY 13,440 million in sales for the period ended March 2019
2. Reason for business termination
 - “an” was established as “Daily Arbeit News” in 1967 and has entered its 52nd year this year. The business has developed the casual/part-time labor market and is Japan's oldest casual/part-time job-offer magazine which provided optimal matching for many people and organizations. However, it was late in transitioning from a paper to Web-based service which resulted in declining competitiveness in recent years.
 - Faced with this business environment, the Group has judged that it would be difficult to adequately address the needs of clients with the conventional business model for the casual/part-time work market. Therefore, the decision was made to end the “an” business and to focus management resources in the mid-career recruitment support/job change support sector which is experiencing rapid ongoing growth (the recruiting business of job change service “doda” and job change media advertising business).
3. Period of business termination
 - Sales activities will end on September 27, 2019 and the business will close on November 25, 2019.
4. Significant impact of business closure on sales activities etc.
 - The loss relating to this business closure is expected to be approximately JPY 3,500 million in operational support costs to transfer sales from main agencies to “doda” during this consolidated accounting period, and loss from restructuring such as loss from impairment of fixed assets. Of this, JPY 495 million is reported as an extraordinary loss for this consolidated cumulative 1st quarter period.

(Acquisition of treasury shares)

At a Board of Directors meeting on August 1, 2019, a decision was made to acquire treasury shares pursuant to Article 156 of the Companies Act of Japan, as applied pursuant to and reinterpreted in Paragraph 3, Article 165 of the Companies Act of Japan.

1. Reasons for acquisition of treasury shares
 - Acquisition of treasury shares to enhance capital efficiency and enable the execution of an agile capital strategy to address changes in the future management environment.
2. Matters to be resolved relating to acquisition of treasury shares
 - (1) Type of shares subject to acquisition: PERSOL HOLDINGS ordinary shares
 - (2) Number of shares able to be acquired: 3,500,000 (upper limit)
(In proportion to total number of issued shares (excluding treasury shares): 1.50%)
 - (3) Total amount to acquire said shares: JPY 5,000 million (upper limit)
 - (4) Acquisition period: August 2, 2019 - December 30, 2019
 - (5) Method of repurchase: Market purchase on the Tokyo Stock Exchange