



**Briefing on Consolidated Financial
Results for the First Quarter
Ended June 30, 2017**

PERSOL HOLDINGS CO., LTD.
August 10, 2017

2018/3 Q1 : Summary of Consolidated Business Results

High sales growth due to the solid demand from clients

Margin remained the same standard due to the investment in personnel and system for growth

(Unit: million yen)

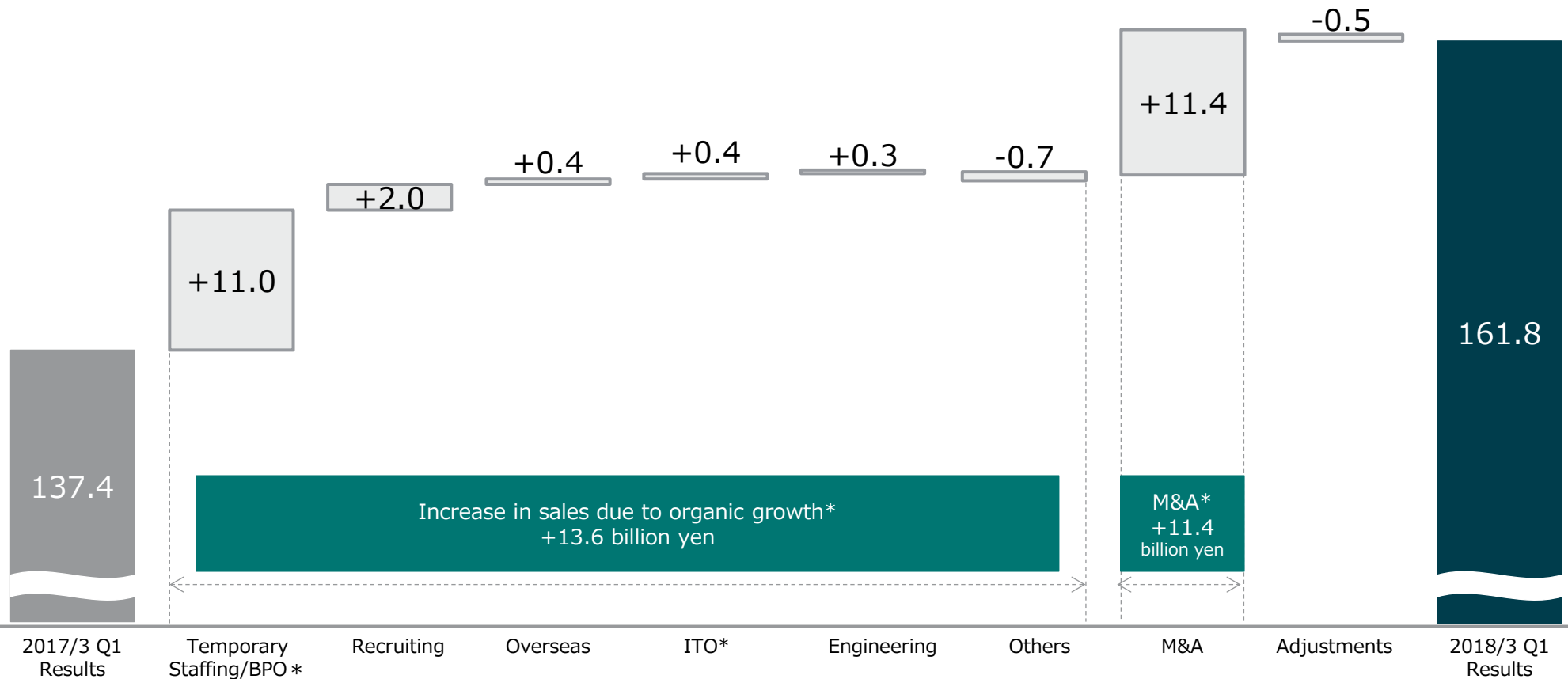
	2017/3 Results		2018/3 Results			2018/3 Forecasts	
	1Q	Ratio(%)	1Q	Ratio(%)	YoY(%)	1st Half	Full Year
Sales	137,404	100.0	161,897	100.0	+17.8%	324,000	677,300
Gross Profit	34,372	25.0	39,619	24.5	+15.3%	-	-
EBITDA*	11,522	8.4	11,572	7.1	+0.4%	20,992	47,108
OP income	9,257	6.7	9,114	5.6	-1.5%	15,800	36,000
Profit attributable to owners of parent	6,209	4.5	5,425	3.4	-12.6%	9,900	22,200

*Rounded down (same as following pages) *EBITDA = OP income + Depreciation + Amortization of Goodwill(same as following pages)

2018/3 Q1 : Sales Analysis

Contribution from increase in the revenues from the existing businesses,
in addition to the M&A

(Unit: billion yen)



*M&A targets : Kelly Services (Singapore) Pte. Ltd.(October 2016) (dates in parentheses indicate the year and month of consolidation as subsidiaries)
 *M&A effect : The figures are shown the financial results composed of the new companies by M&A. (Internal transactions have not been eliminated)
 *Organic growth (existing businesses) : The figures are shown the financial results excluding the new companies by M&A. (Internal transactions have not been eliminated)
 *BPO : Business Process Outsourcing, ITO : IT Outsourcing (same as following pages)

2018/3 Q1 : Sales by Segment

Continuous steady growth in each segment

(Unit: million yen)

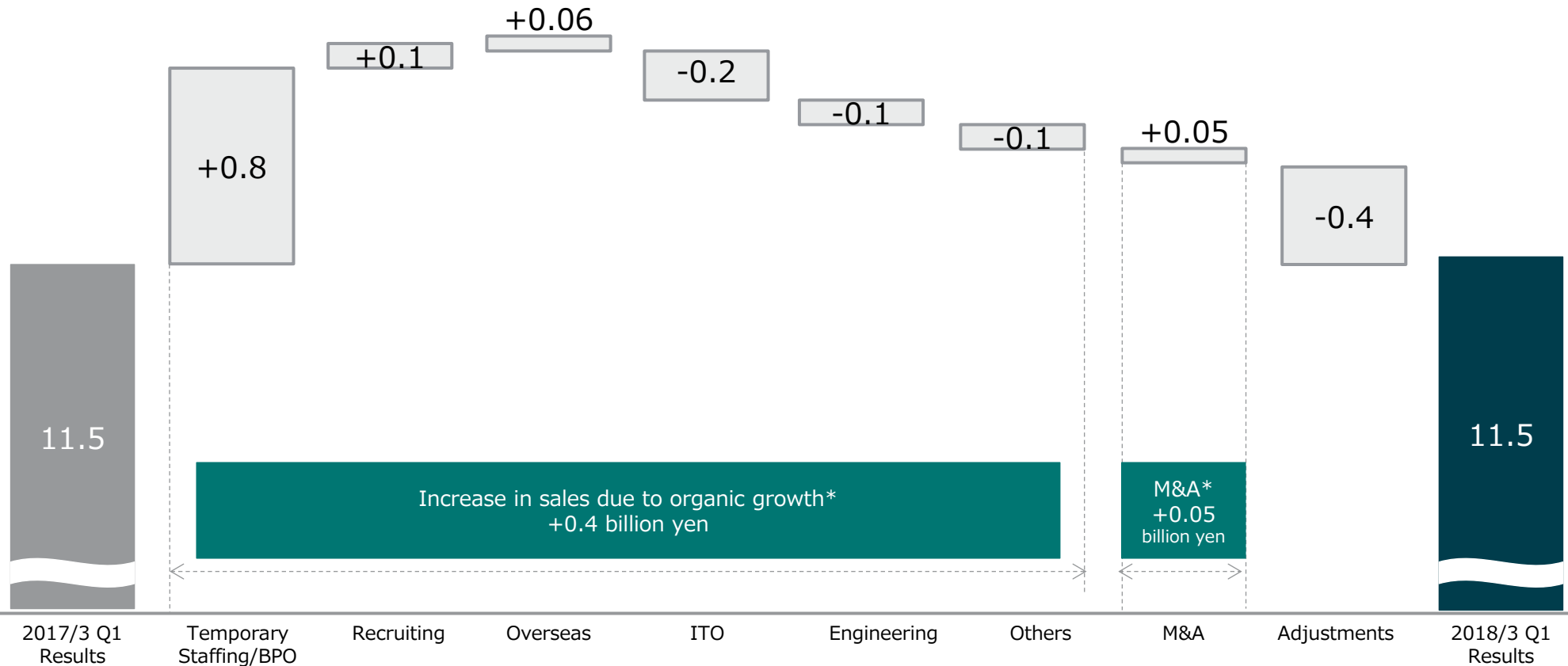
	2017/3 Results	2018/3 Results		2018/3 Forecasts	
	1Q	1Q	YoY(%)	1st Half	Full Year
Temporary Staffing/BPO	106,349	117,397	+10.4%	234,900	485,400
Recruiting	16,186	18,238	+12.7%	36,000	78,100
Overseas	3,710	15,581	+319.9%	29,800	63,100
ITO	5,769	6,182	+7.2%	13,800	29,400
Engineering	5,973	6,368	+6.6%	13,500	28,100
Others	1,655	935	-43.5%	2,000	4,300
Adjustment	-2,240	-2,806	-	-6,000	-11,100
TOTAL	137,404	161,897	+17.8%	324,000	677,300

*Internal transactions have not been eliminated from the figures

2018/3 Q1 : EBITDA Analysis

Contribution from the existing businesses

(Unit: billion yen)



*M&A targets

*M&A effect

*Organic growth (existing businesses)

:Kelly Services (Singapore) Pte. Ltd.(October 2016) (dates in parentheses indicate the year and month of consolidation as subsidiaries)

:The figures are shown the financial results composed of the new companies by M&A. (Internal transactions have not been eliminated)

:The figures are shown the financial results excluding the new companies by M&A. (Internal transactions have not been eliminated)

2018/3 Q1 : EBITDA by Segment

Despite the contribution from the existing businesses, due to the investment in personnel, brand, and system for growth, margin remain the same standard as last year (Unit: million yen)

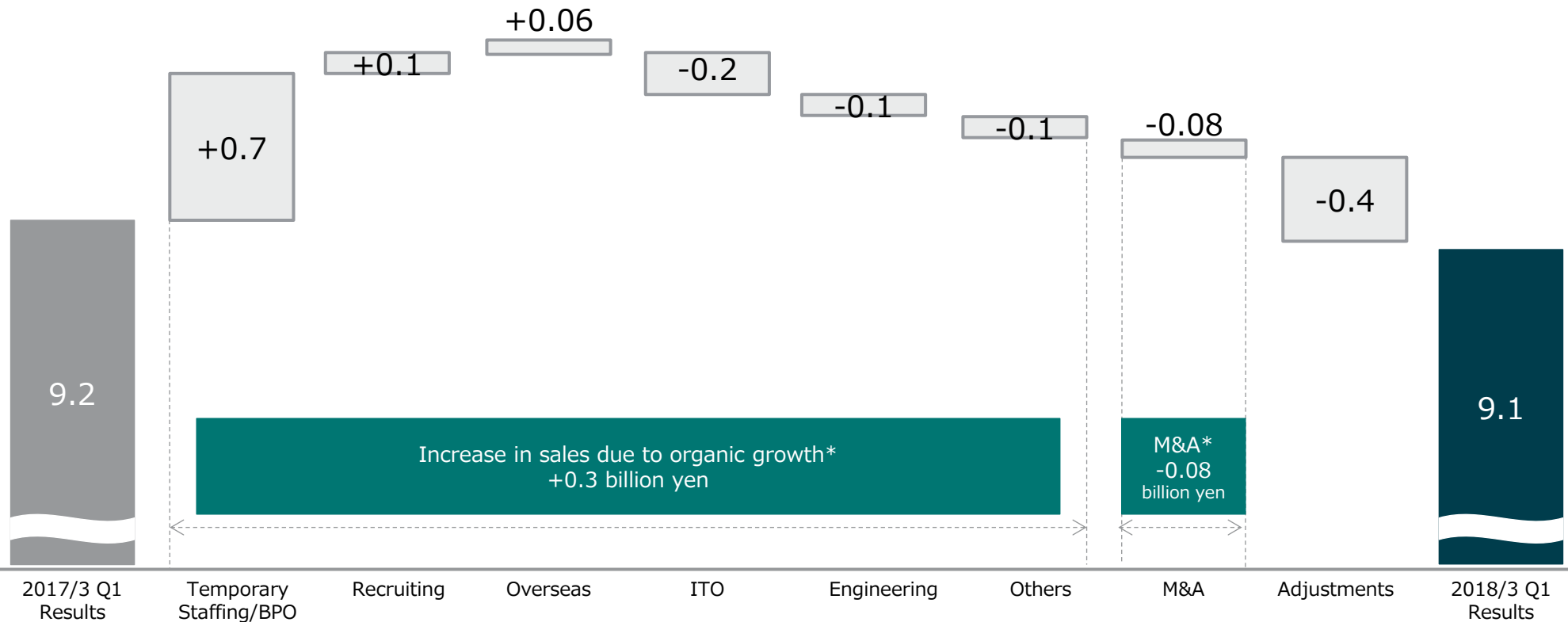
	2017/3 Results	2018/3 Results		2018/3 Forecasts	
	1Q	1Q	YoY(%)	1st Half	Full Year
Temporary Staffing/BPO	5,851	6,663	+13.9%	12,295	26,278
Recruiting	3,780	3,889	+2.9%	5,904	13,100
Overseas	-17	104	-	288	977
ITO	514	290	-43.6%	1,090	2,991
Engineering	520	339	-34.8%	1,311	2,869
Others	148	-9	-	-158	-120
Adjustment	723	294	-	259	1,011
TOTAL	11,522	11,572	+0.4%	20,992	47,108

*Internal transactions have not been eliminated from the figures

2018/3 : OP income Analysis

Contribution from the existing businesses

(Unit: billion yen)



*M&A targets

*M&A effect

*Organic growth (existing businesses)

:Kelly Services (Singapore) Pte. Ltd.(October 2016) (dates in parentheses indicate the year and month of consolidation as subsidiaries)

:The figures are shown the financial results composed of the new companies by M&A. (Internal transactions have not been eliminated)

:The figures are shown the financial results excluding the new companies by M&A. (Internal transactions have not been eliminated)

2018/3 Q1 : OP income by Segment

Despite the contribution from the existing businesses, due to the investment in personnel, brand, and system for growth, margin remain the same standard as last year (Unit: million yen)

	2017/3 Results	2018/3 Results		2018/3 Forecasts	
	1Q	1Q	YoY(%)	1st Half	Full Year
Temporary Staffing/BPO	5,140	5,927	+15.3%	10,700	22,700
Recruiting	2,932	3,058	+4.3%	4,200	9,500
Overseas	-247	-261	-	-500	-600
ITO	355	116	-67.3%	800	2,400
Engineering	378	191	-49.5%	1,000	2,200
Others	136	-25	-	-200	-200
Adjustment	561	107	-	-200	0
TOTAL	9,257	9,114	-1.5%	15,800	36,000

*Internal transactions have not been eliminated from the figures

2018/3 Q1 : Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2017		As of June 30, 2017		
	Results	Ratio(%)	Results	Ratio(%)	Change
Assets	268,364	100.0	263,768	100.0	-4,595
Current assets	165,240	61.6	160,724	60.9	-4,515
(Cash and deposits)	69,439	25.9	68,461	26.0	-977
Non-current assets	103,123	38.4	103,043	39.1	-80
(Right of trademark and goodwill)	73,557	27.4	71,826	27.2	-1,730
Liabilities	114,547	42.7	106,557	40.4	-7,989
Current liabilities	87,913	32.8	79,563	30.2	-8,349
(Current portion of loans payable)	5,053	1.9	5,004	1.9	-49
Non-current liabilities	26,634	9.9	26,993	10.2	359
(Long-term loans payable)	20,426	7.6	20,423	7.7	-2
(Convertible bond-type bond with stock acquisition rights)	31	0.0	28	0.0	-3
Net assets	153,816	57.3	157,211	59.6	3,394
Owners' capital	139,119	51.8	142,548	54.0	3,428
(Capital stock)	17,465	6.5	17,466	6.6	1
(Capital surplus)	20,156	7.5	20,182	7.7	26
(Legal retained earnings)	102,432	38.2	105,753	40.1	3,320
Minority interests	14,696	5.5	14,662	5.6	-34

<Current assets>
Decrease in notes and accounts receivable - trade

<Right of trademark and goodwill>
Decreased due to Depreciation, Detrition, Foreign exchange

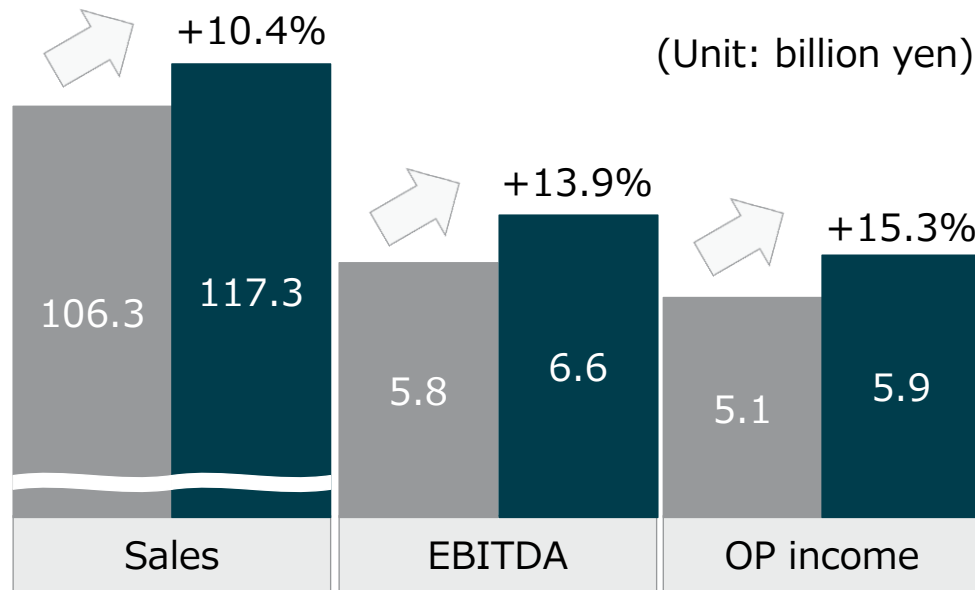
<Current liabilities>
Decrease in account payable, unpaid corporation tax etc.

<Convertible bond-type bond with stock acquisition rights>
Decrease by conversion

<Capital stock and capital surplus>
Increase due to conversion of the bond

<Legal retained earnings>
Increased due to an increase in profit

2018/3 1Q Transition of Business Results by Segments ① Temporary Staffing/BPO



2018/3 Q1 : Highlights

- Demand from client companies remained strong, sales increased due to the increase of the number of temporary staffing who is working
- Demand for temporary staffing remains strong due to workforce shortage and job relocation of client's company, supported by Work-style-reform
- Placement number is increasing from the collaboration within PERSOL group by utilizing the offices of Temporary business
- Operating income increased due to the revenue growth which exceeds increase of costs such as social insurance premiums, etc.

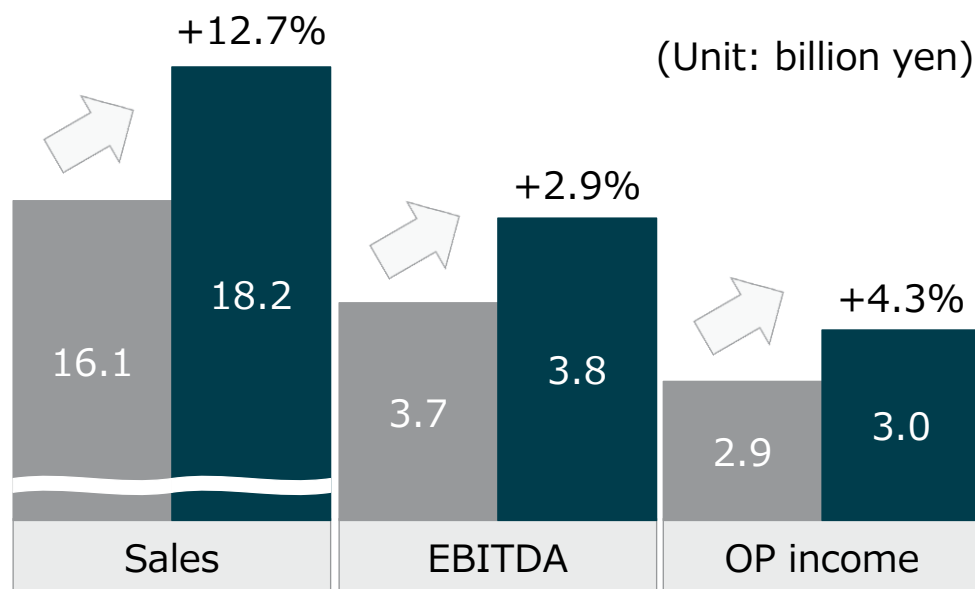
(Unit: million yen)

	2017/3 Results	2018/3 Results		2018/3 Forecasts	
	1Q	1Q	YoY(%)	1st Half	Full Year
Sales	106,349	117,397	+10.4%	234,900	485,400
EBITDA	5,851	6,663	+13.9%	12,295	26,278
EBITDA margin (%)	5.5	5.7	-	5.2	5.4
OP income	5,140	5,927	+15.3%	10,700	22,700
OP income ratio (%)	4.8	5.0	-	4.6	4.7

*Internal transactions have not been eliminated from the figures

*See the "Factbook for the First Quarter Ended June 30, 2017" released on the website on the same date for the quarterly results

2018/3 1Q Transition of Business Results by Segments ② Recruiting



2018/3 Q1 : Highlights

- Demand from client companies remained strong, placement business driven the growth
- Job openings recorded the highest for consecutive 31 months(DODA research)
- Personnel reinforcement and promotional investment to meet the demands
- Placement number is increasing from the collaboration within PERSOL group

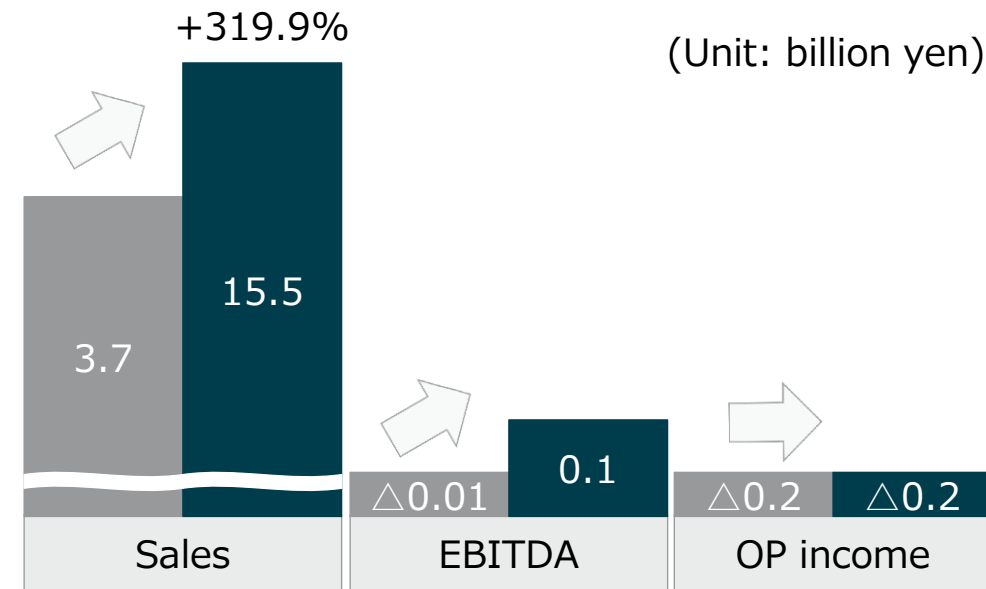
(Unit: million yen)

	2017/3 Results	2018/3 Results		2018/3 Forecasts	
	1Q	1Q	YoY(%)	1st Half	Full Year
Sales	16,186	18,238	+12.7%	36,000	78,100
EBITDA	3,780	3,889	+2.9%	5,904	13,100
EBITDA margin (%)	23.4	21.3	-	16.4	16.8
OP income	2,932	3,058	+4.3%	4,200	9,500
OP income ratio (%)	18.1	16.8	-	11.7	12.2

*Internal transactions have not been eliminated from the figures

*See the "Factbook for the First Quarter Ended June 30, 2017" released on the website on the same date for the quarterly results

2018/3 1Q Transition of Business Results by Segments ③ Overseas



2018/3 Q1 : Highlights

- High sales growth due to the expansion of business scope by the Joint Venture with Kelly Services, Inc. (October 2016~)
- Due to the moderate recovery of market environment, EBITDA became profitable
- Continuous investment in personnel and system for future growth

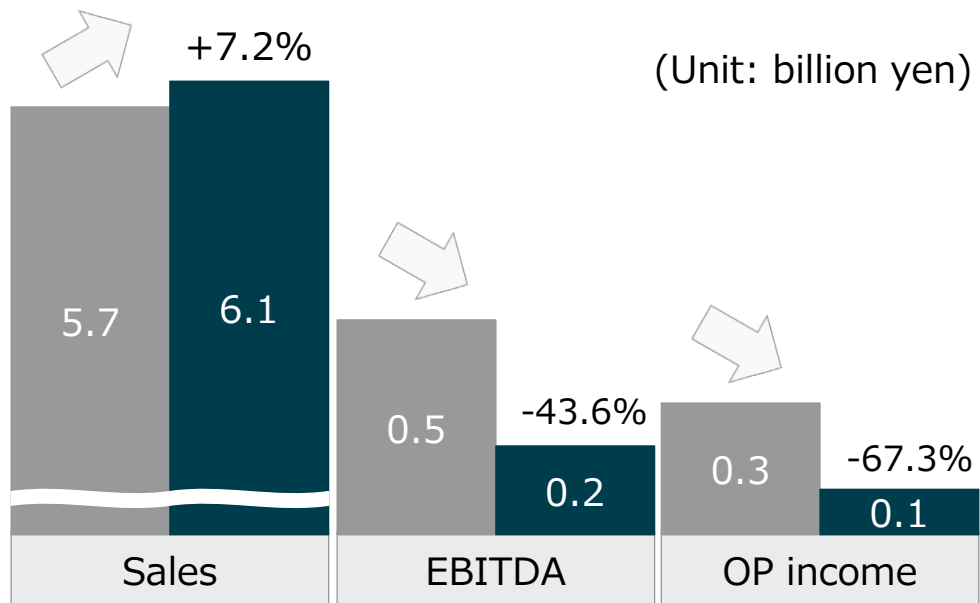
(Unit: million yen)

	2017/3 Results	2018/3 Results		2018/3 Forecasts	
	1Q	1Q	YoY(%)	1st Half	Full Year
Sales	3,710	15,581	+319.9%	29,800	63,100
EBITDA	-17	104	-	288	977
EBITDA margin (%)	-0.5	0.7	-	1.0	1.5
OP income	-247	-261	-	-500	-600
OP income ratio (%)	-6.7	-1.7	-	-1.7	-1.0

*Internal transactions have not been eliminated from the figures

*See the "Factbook for the First Quarter Ended June 30, 2017" released on the website on the same date for the quarterly results

2018/3 1Q Transition of Business Results by Segments ④ ITO



2018/3 Q1 : Highlights

- Demand for IT system and SI-related services from client companies remained solid
- Achieved sales growth due to the increase in the high value-added PJ such as SI-related service, the sales marketing service
- Increased in personnel expenses due to recruitment and labor condition improvement of IT engineers
- Profitability declined temporary, due to cost increase in particular project

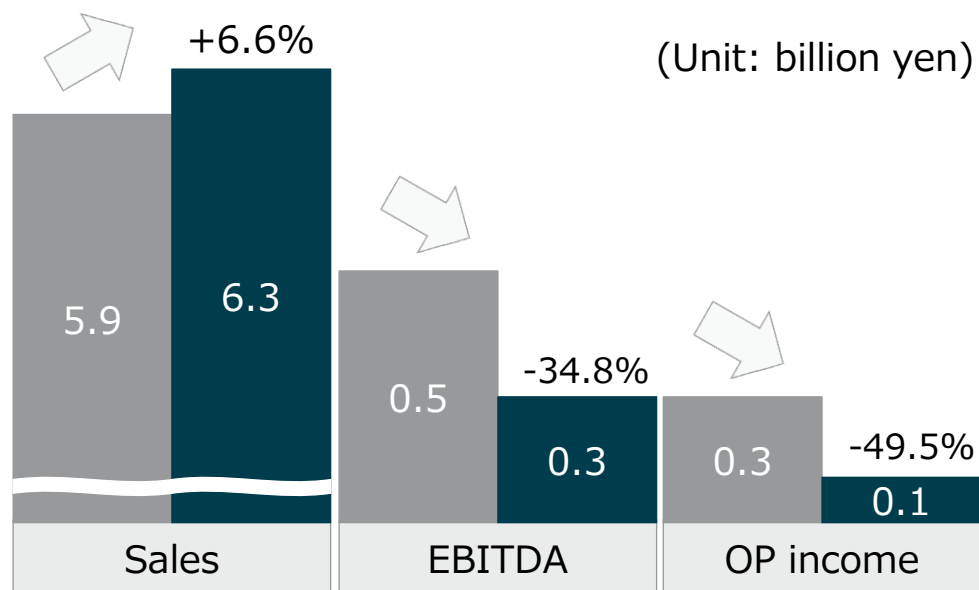
(Unit: million yen)

	2017/3 Results	2018/3 Results		2018/3 Forecasts	
	1Q	1Q	YoY(%)	1st Half	Full Year
Sales	5,769	6,182	+7.2%	13,800	29,400
EBITDA	514	290	-43.6%	1,090	2,991
EBITDA margin (%)	8.9	4.7	-	7.9	10.2
OP income	355	116	-67.3%	800	2,400
OP income ratio (%)	6.2	1.9	-	5.8	8.2

*Internal transactions have not been eliminated from the figures

*See the "Factbook for the First Quarter Ended June 30, 2017" released on the website on the same date for the quarterly results

2018/3 1Q Transition of Business Results by Segments ⑤ Engineering



2018/3 Q1 : Highlights

- Demand of design development and experiment from the automobile and electric industries remained solid
- Started as PERSOL RESEARCH & DEVELOPMENT CO., LTD. from April 2017 (Merged Japan Tecseed Co. Ltd. with DRD Co., Ltd.)
- Profitability declined temporary, due to cost increase in particular project

(Unit: million yen)

	2017/3 Results	2018/3 Results		2018/3 Forecasts	
	1Q	1Q	YoY(%)	1st Half	Full Year
Sales	5,973	6,368	+6.6%	13,500	28,100
EBITDA	520	339	-34.8%	1,311	2,869
EBITDA margin (%)	8.7	5.3	-	9.7	10.2
OP income	378	191	-49.5%	1,000	2,200
OP income ratio (%)	6.3	3.0	-	7.4	7.8

*Internal transactions have not been eliminated from the figures

*See the "Factbook for the First Quarter Ended June 30, 2017" released on the website on the same date for the quarterly results

2018/3 1Q Transition of Business Results by Segments ⑥ Others/Adjustment

(Unit: million yen)

Others	2017/3 Results	2018/3 Results		2018/3 Forecasts	
	1Q	1Q	YoY(%)	1st Half	Full Year
Sales	1,655	935	-43.5%	2,000	4,300
EBITDA	148	-9	-	-158	-120
EBITDA margin (%)	9.0	-1.0	-	-7.9	-2.8
OP income	136	-25	-	-200	-200
OP income ratio (%)	8.2	-2.7	-	-10.0	-4.7

(Unit: million yen)

Adjustment	2017/3 Results	2018/3 Results		2018/3 Forecasts	
	1Q	1Q	YoY(%)	1st Half	Full Year
Sales	-2,240	-2,806	-	-6,000	-11,100
EBITDA	723	294	-	259	1,011
EBITDA margin (%)	-	-	-	-	-
OP income	561	107	-	-200	0
OP income ratio (%)	-	-	-	-	-

*Internal transactions have not been eliminated from the figures

*See the "Factbook for the First Quarter Ended June 30, 2017" released on the website on the same date for the quarterly results

*Others include our group functional services, education and training business, employment support business for people with disabilities

*Adjustment stands for elimination of transactions between segments, and revenue and expenses of PERSOL HOLDINGS CO., LTD.

Appendix : Recent M&As

Company name	Kelly Services (Singapore) Pte. Ltd.	Programmed Maintenance Services Limited
Established	August, 2000	January, 1992
Net Sales (*1)	387 million USD (*2)	2,691 million AUD (*4)
OP income (*1)	9 million USD (*2)	- (*5)
Acquisition date	July, 2016	October 2017 (Planned)
Contribution from	2017/3 Q3	2018/3 Q4 (Planned)
Ownership ratio	51%	100%
Acquisition price	7.77 billion yen (*3)	69.1 billion yen (*6)
Goodwill	4.62 billion yen	Currently being scrutinized
Amortization period	10 year	
Segment	Overseas	To Be Determined

*1. This briefing is only for better understanding. Please note that numbers and indexes in this page are not audited

*2. The figure is the performance in the APAC region of the joint venture partner 'Kelly Services, Inc.' (the FY ended Dec. 2015). (Including some businesses outside of the joint venture's scope.)

*3. This amount includes stock-kind contributions of our APAC business of Capita Pte. Ltd etc

*4. The figure is the performance of Programmed of FY ended Mar 2017

*5. Programmed makes financial statements based on The Australian Accounting Standards Board where there is no OP income

*6. Conversion of AUD1: JPY 87.32

Appendix : Acquisition of Programmed Maintenance Services Limited

1. Significance of this acquisition & PERSOL's overseas strategy
2. APAC region HR services market scale
3. Programmed's position in the Australian market
4. Outline of Programmed
5. Programmed's financial results trend
6. Programmed's business and synergy with PERSOL
7. Acquisition cost & impact to our financial results

[Appendix]

Appendix : Significance of this acquisition & PERSOL's overseas strategy

We can establish the top position in APAC region by utilizing Programmed's strong business platform and leading market position in Australia and New Zealand

Key Point

Overseas Strategy

To achieve PERSOL group vision: "Creating a social infrastructure for people and organizations that catalyzes growth and innovation",
the overseas business is one of core PHD businesses which requires cultivation/strengthening

Significance of this acquisition

Australia is the largest temporary staffing market in the APAC region
Programmed proudly holds the #1 share in the Australian market
We can expect overseas sales in excess of JPY 300 billion and establish the top position in APAC region

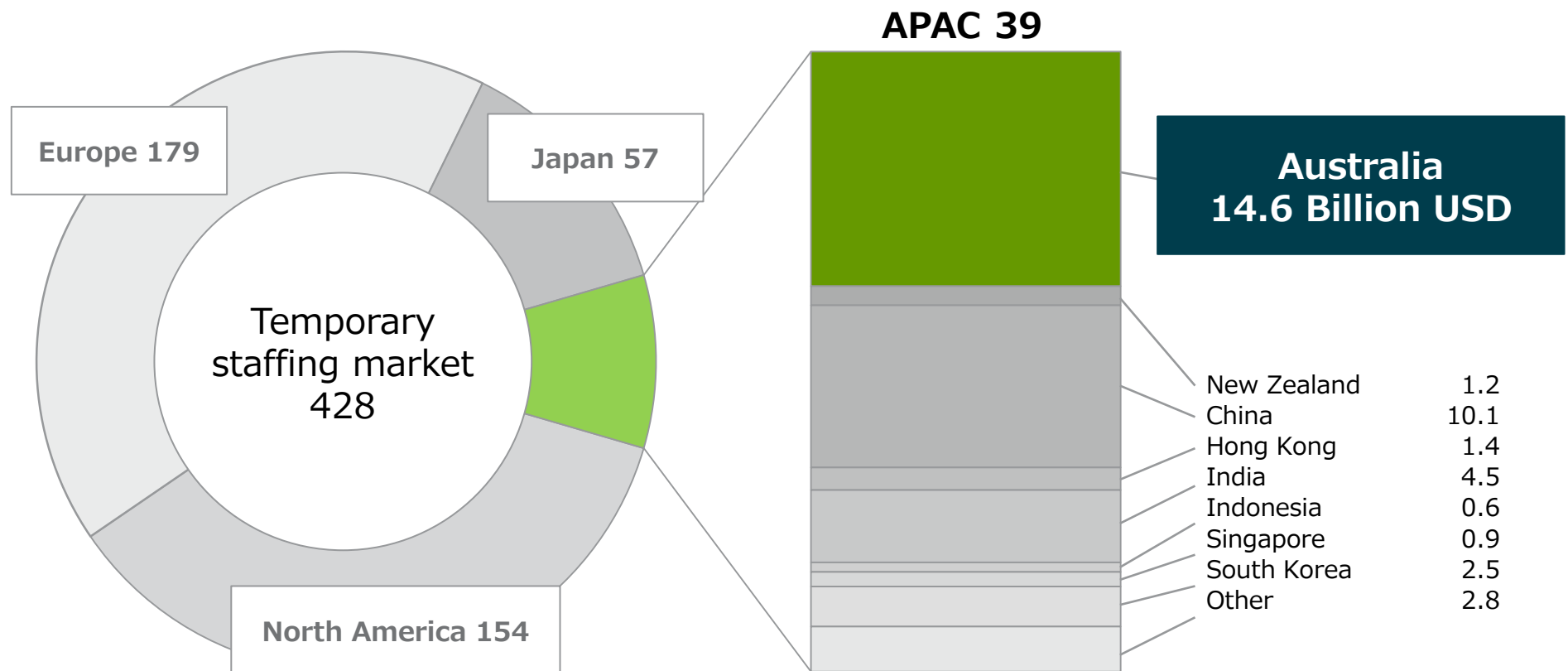
Synergy

Integrate the know-how of Programmed which has strength in equipment/facilities maintenance sub-contracting
We can expand business in the APAC region where PERSOL Group has already made inroads

Appendix : Scale of the APAC Region HR Services Market

Australia is the largest of the markets we are targeting in the APAC region

Global Temporary Staffing Market (Unit : Billion USD)



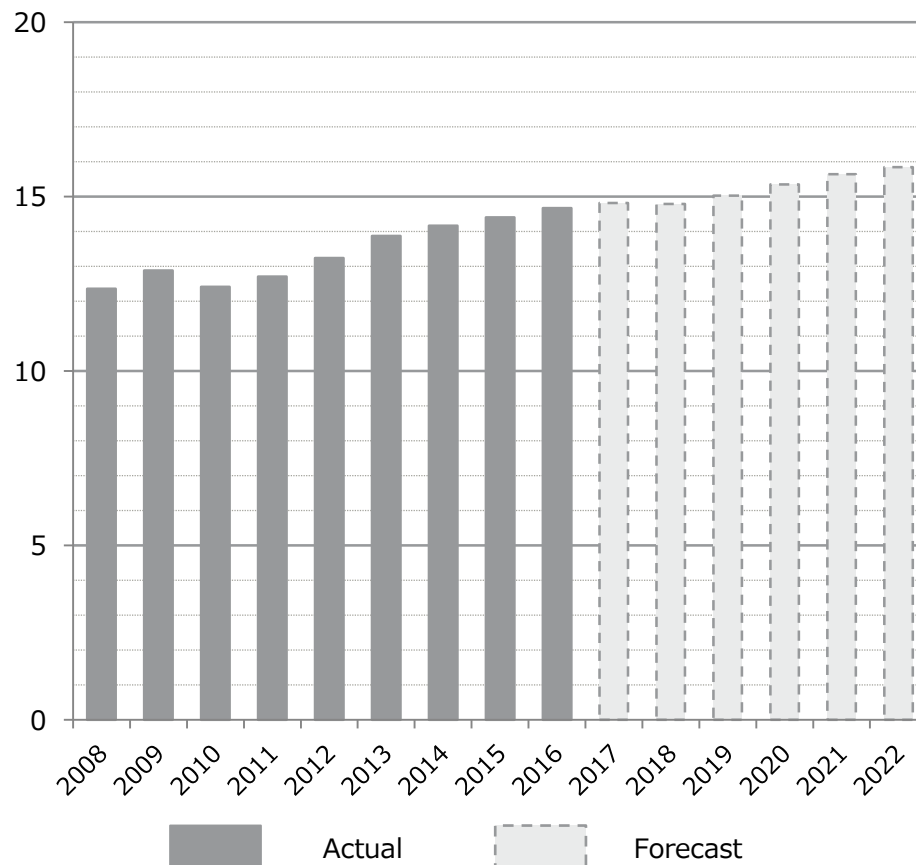
Source : STAFFING INDUSTRY ANALYSTS

Appendix : Programmed's position in the Australian market

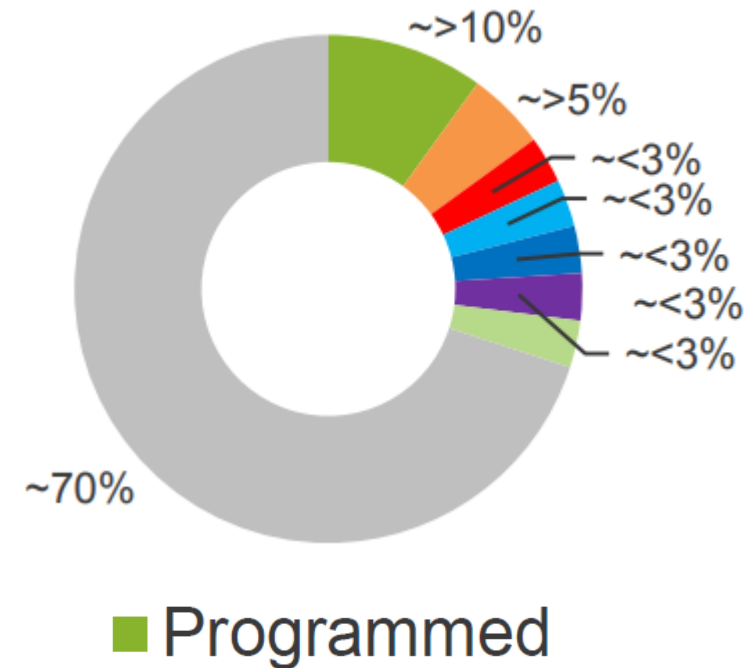
Programmed is #1 in the temporary staffing market in Australia

This acquisition enables us to establish a solid business platform in Australia and eventually across APAC

Australian Temp. staffing market (Unit : Billion USD)



Australian Temp. staffing market share (2016)



Source : IBIS World Industry Repo

Appendix : Outline of Programmed

Established as a painting services company in 1951 then expanded the business into facility/equipment maintenance

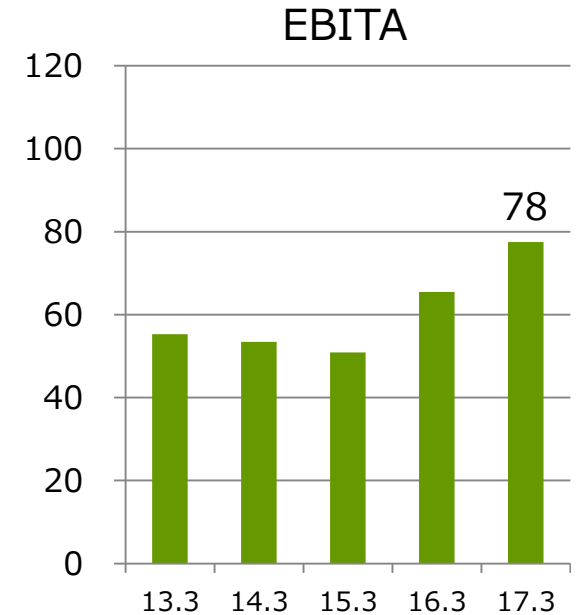
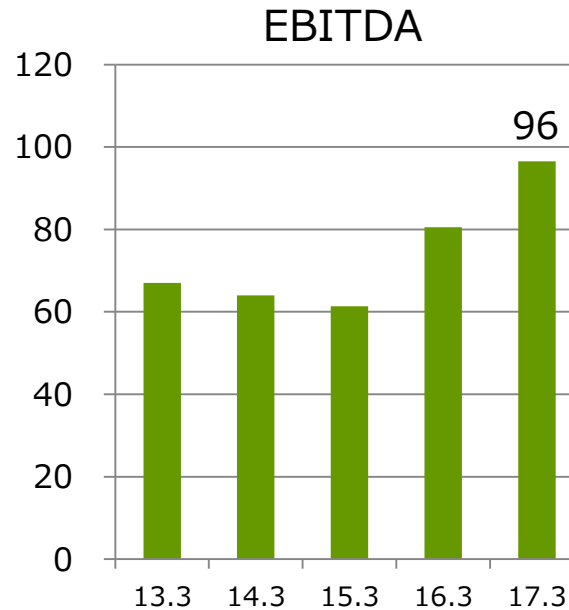
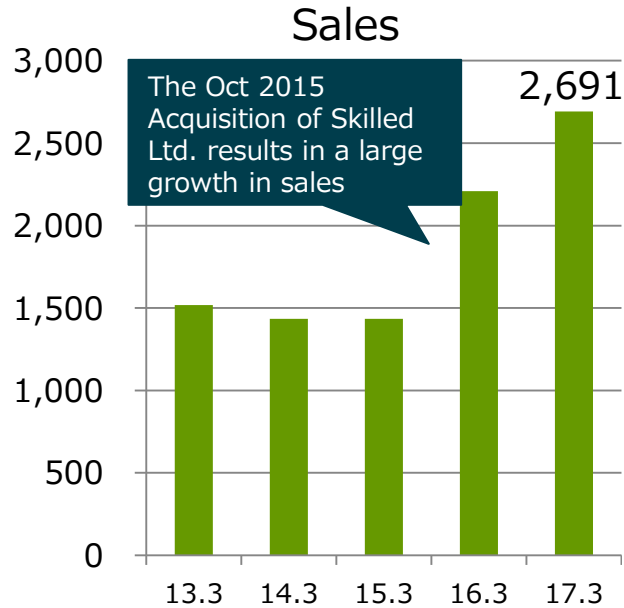
Acquired SKILLED Group; a leading Australian HR services company in 2015, became the largest HR services company

Company Name	Programmed Maintenance Services Limited		
Market Listing	Australian Stock Exchange (Ticker: PRG) , Elected to ASX300 index		
Headquarters	Burswood, Western Australia		
Corporate History	1951: Established as a painting services company (subsequently expands the business into facilities/equipment maintenance)		
	2007: Merged with Integrated Group; a major Australian HR services company		
	2015: Acquired SKILLED Group; a leading Australian HR services company		
No. of Employees	25,003 headcount (2017 June)	Permanent employees Fixed term employees Temporary staff	1,991 headcount 2,964 headcount 20,048 headcount
Corporate Philosophy	To be a leading provider of staffing, maintenance and facility management services, without injury		
Number of locations/sites	Over 100 locations; mainly in Australia		
Amount of capital	AUD 570 million (as at 2017.3.31)		
Net Assets	AUD 607 million (as at 2017.3.31)		
Total assets	AUD 1,293 million (as at 2017.3.31)		
Consolidated sales	AUD 2,691 million (as at 2017.3.31)		

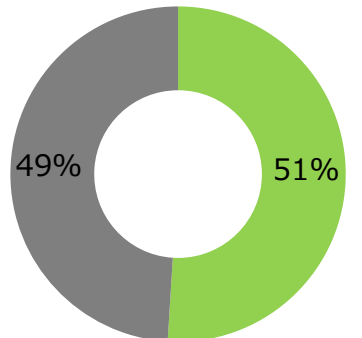
Appendix : Programmed's Financial Results Trends

Stable growth: both organic and M&A

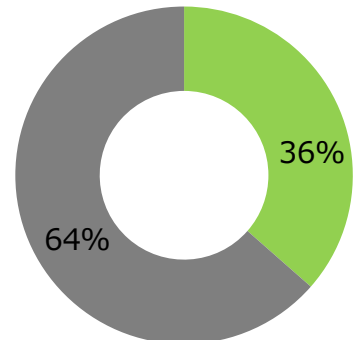
(AUD Million)



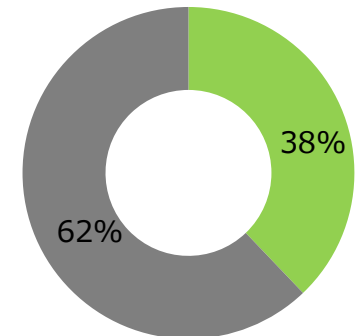
FY Mar 2017
Breakdown



■ Staffing ■ Maintenance



■ Staffing ■ Maintenance



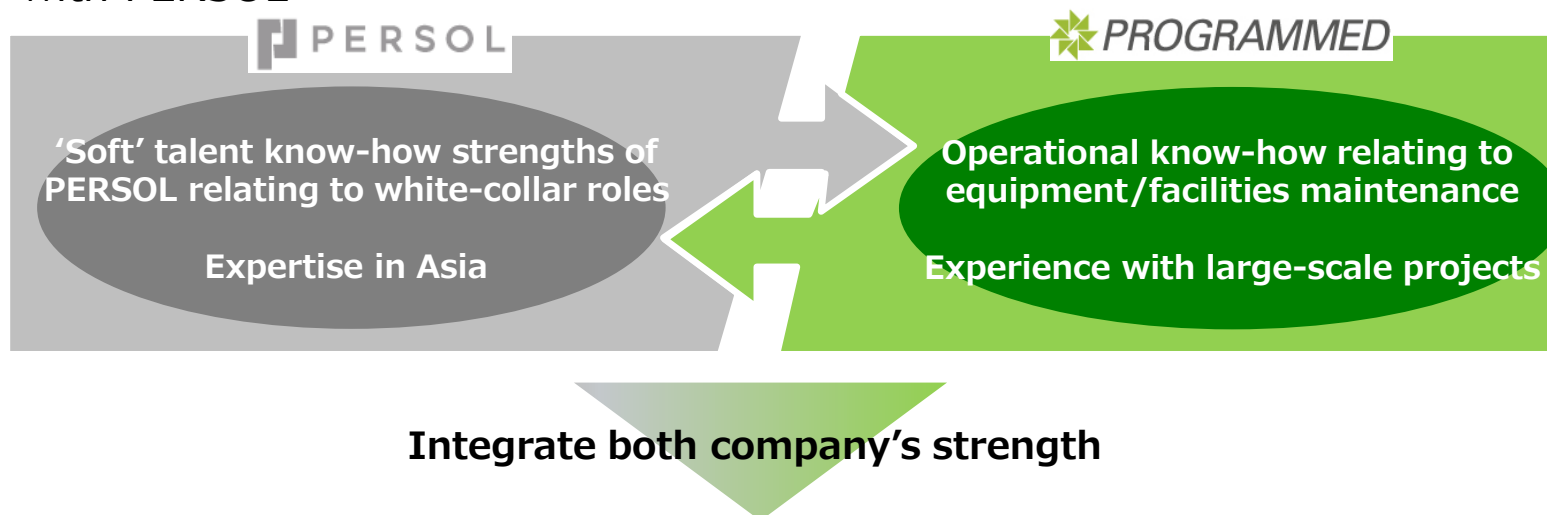
■ Staffing ■ Maintenance

Appendix : Programmed's business and synergy with PERSOL

Programmed's business

Staffing	Maintenance
Provide temporary staffing and recruitment/placement services to various industries in Australia and New Zealand	Provide large scale maintenance, facility management businesses Especially have strong presence in infrastructure, manufacture, and mining industries with partnership between public and private sectors

Synergy with PERSOL



Create synergy by expanding maintenance business to APAC region where PHD already made inroads

Appendix : Acquisition cost & impact to our financial results

Acquisition
Cost

JPY 69.1 billion

※Conversion of AUD1: JPY 87.32

Corporate
Combination
Date

After October 2017 (Planned)

※ At the earliest, consolidation will commence:

- end December for the balance sheet and,
- end January for the P&L statement

Impact to our
Financial results

Impact to our Financial results of this FY are currently being scrutinized

Disclaimer

The statements concerning the Company's future business performances in this material such as earnings forecasts are based on information available as of August 10, 2017 and certain assumptions deemed to be reasonable by the Company, and do not mean that we promise to achieve these figures. Actual earnings may differ materially from the statements due to a variety of factors.

This briefing is only for better understanding. Please note that numbers and indexes in this book are not audited.



JPX-NIKKEI 400

August 2014 : PERSOL HOLDINGS was added to the JPX Nikkei Index 400

What is the JPX
Nikkei 400 ?

It is a new stock price index that consists of companies that meet various requirements for global investment, such as the efficient use of capital and a management perspective that is conscious of investors, for the purpose of boosting the appeal of Japanese companies domestically and internationally.