



**Briefing on Consolidated Financial
Results for the Second Quarter
Ended September 30, 2017**

PERSOL HOLDINGS CO., LTD.
November 13, 2017

2018/3 2Q : Summary of Consolidated Business Results

While high sales growth due to the solid growth of existing businesses and M&A effect,
margin declined due to the cost increase for investment in each segments and brand awareness

(Unit: million yen)

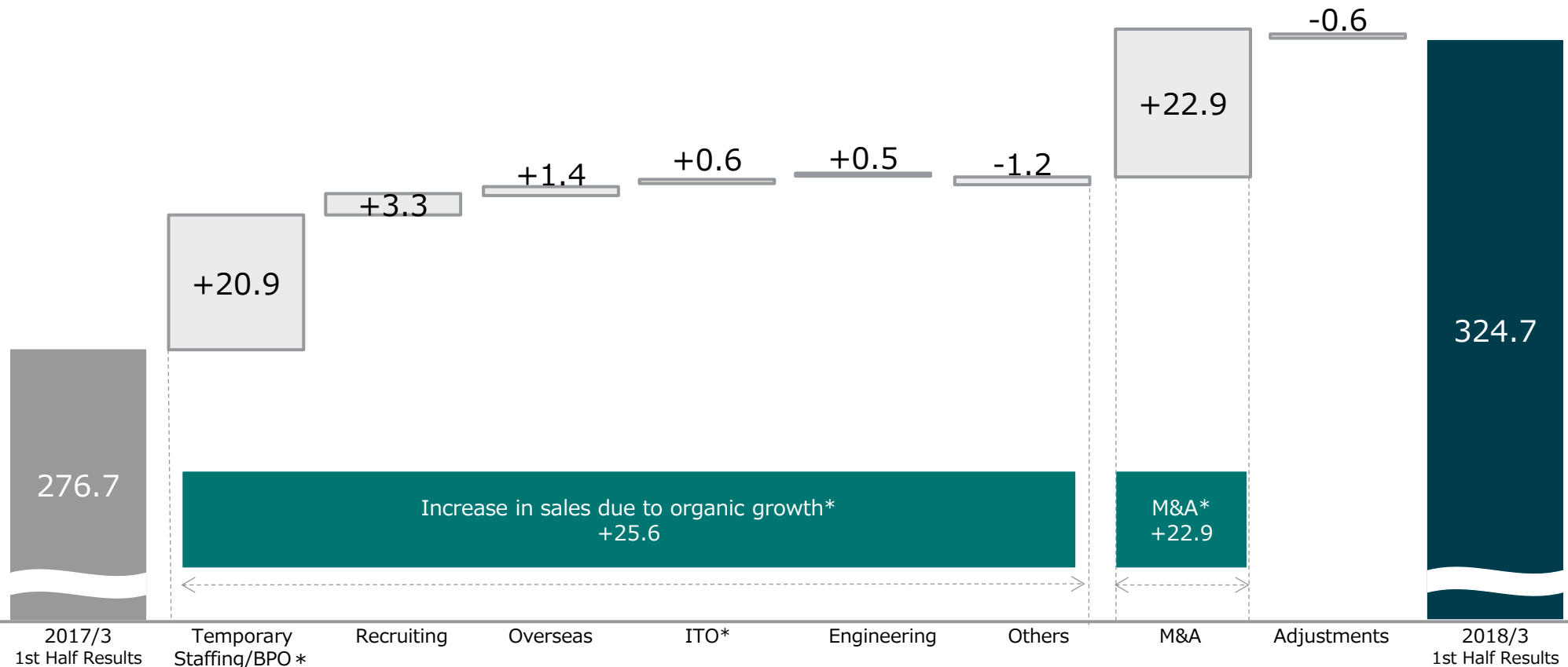
	2017/3 Results		2018/3 Results			2018/3 Forecasts	
	1st Half	Ratio(%)	1st Half	Ratio(%)	YoY(%)	Full Year	Progress rate (%)
Sales	276,790	100.0	324,780	100.0	+17.3%	677,300	48.0
Gross Profit	68,003	24.6	77,424	23.8	+13.9%	-	-
EBITDA*	21,570	7.8	21,048	6.5	-2.4%	47,108	44.7
OP income	16,660	6.0	16,017	4.9	-3.9%	36,000	44.5
Profit attributable to owners of parent	9,865	3.6	9,223	2.8	-6.5%	22,200	41.5

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

2018/3 2Q : 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 2Q : Sales by Segment

Continuous steady growth in each segment

(Unit: million yen)

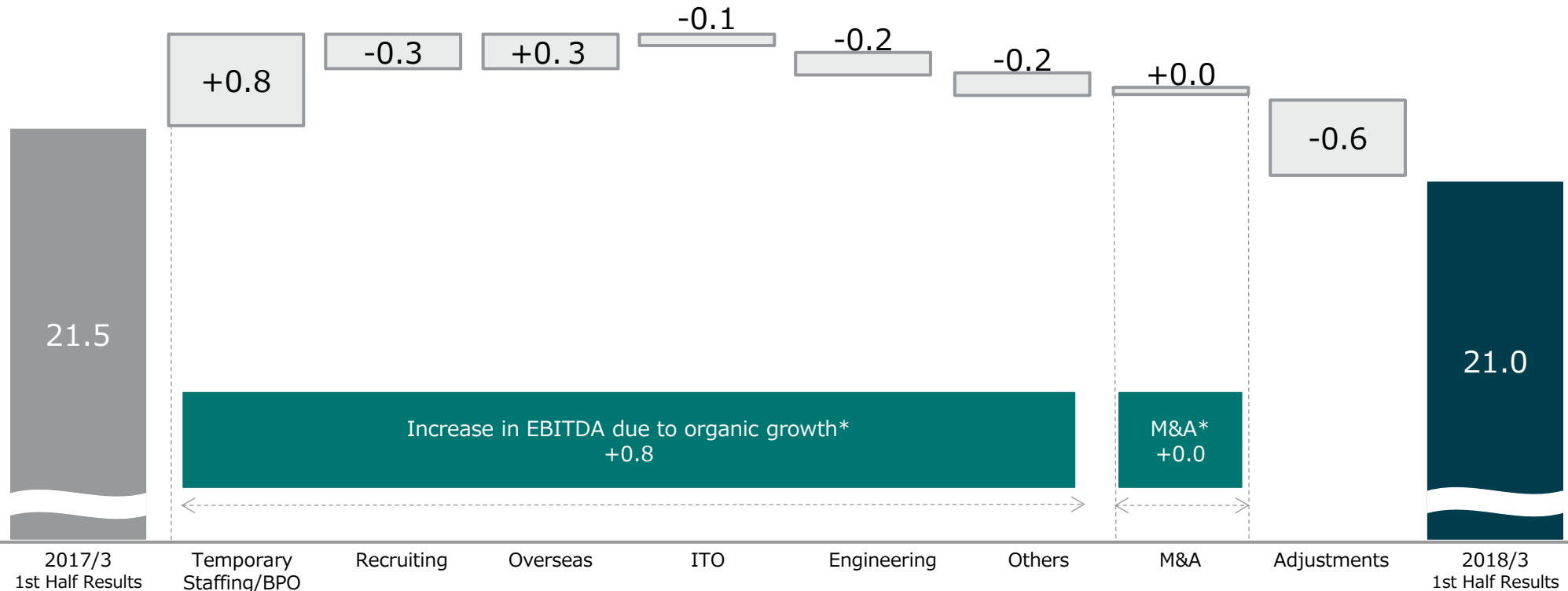
	2017/3 Results	2018/3 Results		2018/3 Forecasts	
	1st Half	1st Half	YoY(%)	Full Year	Progress rate (%)
Temporary Staffing/BPO	214,503	235,489	+9.8%	485,400	48.5
Recruiting	31,992	35,335	+10.4%	78,100	45.2
Overseas	7,406	31,792	+329.2%	63,100	50.4
ITO	12,851	13,532	+5.3%	29,400	46.0
Engineering	12,545	13,062	+4.1%	28,100	46.5
Others	3,274	1,976	-39.6%	4,300	46.0
Adjustment	-5,783	△6,406	-	-11,100	-
TOTAL	276,790	324,780	+17.3%	677,300	48.0

*Internal transactions have not been eliminated from the figures

2018/3 2Q : EBITDA Analysis

Margin declined due to the cost increase for investment in each segments as well as expansion of group brand awareness

(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)
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2018/3 2Q : EBITDA by Segment

Margin declined due to the cost increase for investment in each segments as well as expansion of group brand awareness

(Unit: million yen)

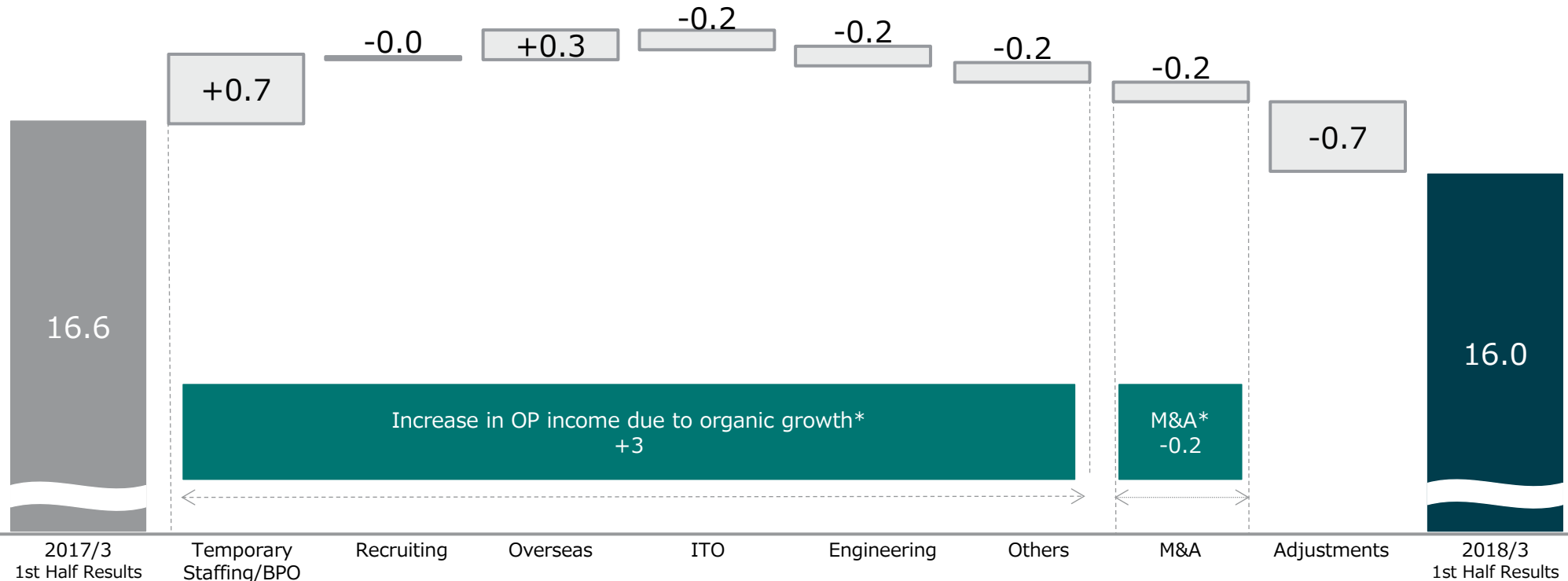
	2017/3 Results	2018/3 Results		2018/3 Forecasts	
	1st Half	1st Half	YoY(%)	Full Year	Progress rate (%)
Temporary Staffing/BPO	11,437	12,255	+7.1%	26,278	46.6
Recruiting	6,753	6,391	-5.4%	13,100	48.8
Overseas	29	446	+1424.5%	977	45.7
ITO	1,013	816	-19.4%	2,991	27.3
Engineering	1,284	1,010	-21.4%	2,869	35.2
Others	189	-66	-135.0%	-120	55.3
Adjustment	862	194	-	1,011	-
TOTAL	21,570	21,048	-2.4%	47,108	44.7

*Internal transactions have not been eliminated from the figures

2018/3 2Q : OP income Analysis

Margin declined due to the cost increase for investment in each segments as well as expansion of group brand awareness

(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 2Q : OP income by Segment

Margin declined due to the cost increase for investment in each segments as well as expansion of group brand awareness

(Unit: million yen)

	2017/3 Results	2018/3 Results		2018/3 Forecasts	
	1st Half	1st Half	YoY(%)	Full Year	Progress rate (%)
Temporary Staffing/BPO	9,931	10,676	+7.5%	22,700	47.0
Recruiting	4,738	4,705	-0.7%	9,500	49.5
Overseas	-422	-285	-	-600	47.6
ITO	688	483	-29.8%	2,400	20.2
Engineering	1,006	709	-29.5%	2,200	32.2
Others	162	-98	-	-200	49.4
Adjustment	555	-173	-	0	-
TOTAL	16,660	16,017	-3.9%	36,000	44.5

*Internal transactions have not been eliminated from the figures

2018/3 2Q : Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2017		As of September 30, 2017		
	Results	Ratio(%)	Results	Ratio(%)	Change
Assets	268,364	100.0	276,438	100.0	8,074
Current assets	165,240	61.6	174,026	63.0	8,785
(Cash and deposits)	69,439	25.9	81,306	29.4	11,867
Non-current assets	103,123	38.4	102,412	37.0	-710
(Right of trademark and goodwill)	73,557	27.4	70,316	25.4	-3,241
Liabilities	114,547	42.7	115,525	41.8	977
Current liabilities	87,913	32.8	90,730	32.8	2,817
(Current portion of loans payable)	5,053	1.9	4,640	1.7	-413
Non-current liabilities	26,634	9.9	24,795	9.0	-1,839
(Long-term loans payable)	20,426	7.6	18,103	6.5	-2,323
Net assets	153,816	57.3	160,913	58.2	7,096
Owners' capital	139,119	51.8	145,729	52.7	6,609
(Capital stock)	17,465	6.5	17,467	6.3	2
(Capital surplus)	20,156	7.5	20,182	7.3	26
(Legal retained earnings)	102,432	38.2	109,552	39.6	7,119
Minority interests	14,696	5.5	15,184	5.5	487

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

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

<Current liabilities>
Increase in other liabilities

<Non-current liabilities>
Decrease in long-term loans payable

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

2018/3 2Q : Consolidated Statements of Cash Flows

(Unit: million yen, %)

	2017/3	2018/3	
	1st Half Results	1st Half Results	Change
Net cash provided by operating activities	22,584	22,524	△60
Net cash used in investment activities	△3,921	△4,290	△369
Net cash used in financing activities	△4,288	△6,247	△1,958
Increase (decrease) in cash and cash equivalents	14,069	11,872	△2,197
Cash and cash Equivalents at end of year	65,208	81,254	16,045

<Purchase of treasury stock> *

└ 2017/3 : -0.5

└ 2018/3 : -1,276

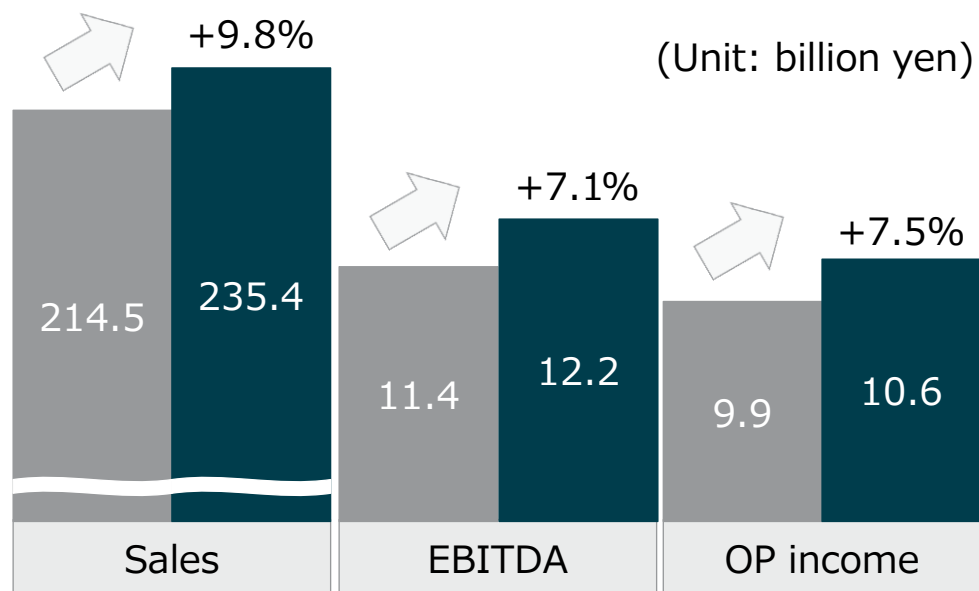
<Cash dividends paid>

└ 2017/3 : -1,641

└ 2018/3 : -2,104

*Purchase of treasury stock intended for the use of Share Compensation System(BIP/ESOP) for PERSOL HOLDINGS and group company's directors etc

2018/3 2Q Transition of Business Results by Segments ① Temporary Staffing/BPO



2018/3 2Q : 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
- Operating income increased due to the revenue growth which exceeds increase of costs such as social insurance premiums, etc.

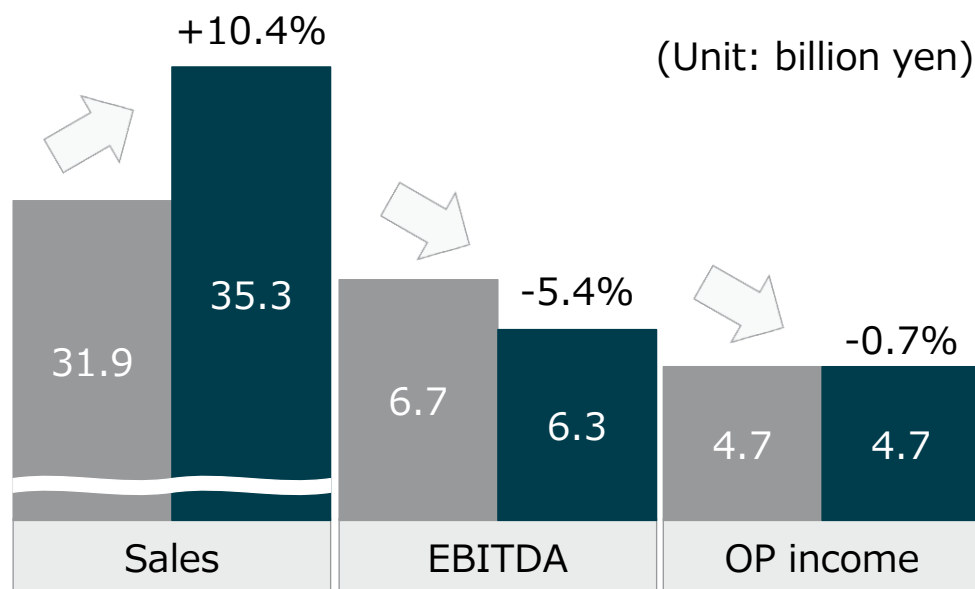
(Unit: million yen)

	2017/3 Results	2018/3 Results		2018/3 Forecasts	
	1st Half	1st Half	YoY(%)	Full Year	Progress rate (%)
Sales	214,503	235,489	+9.8%	485,400	48.5
EBITDA	11,437	12,255	+7.1%	26,278	46.6
EBITDA margin (%)	5.3	5.2	-	5.4	-
OP income	9,931	10,676	+7.5%	22,700	47.0
OP income ratio (%)	4.6	4.5	-	4.7	-

*Internal transactions have not been eliminated from the figures

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

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



2018/3 2Q : Highlights

- Demand from client companies remained strong, placement business driven the growth
- Suspension of publication for free-paper "an", and integrated to web media
- Profitability declined temporarily due to personnel reinforcement and promotional investment to meet the demands

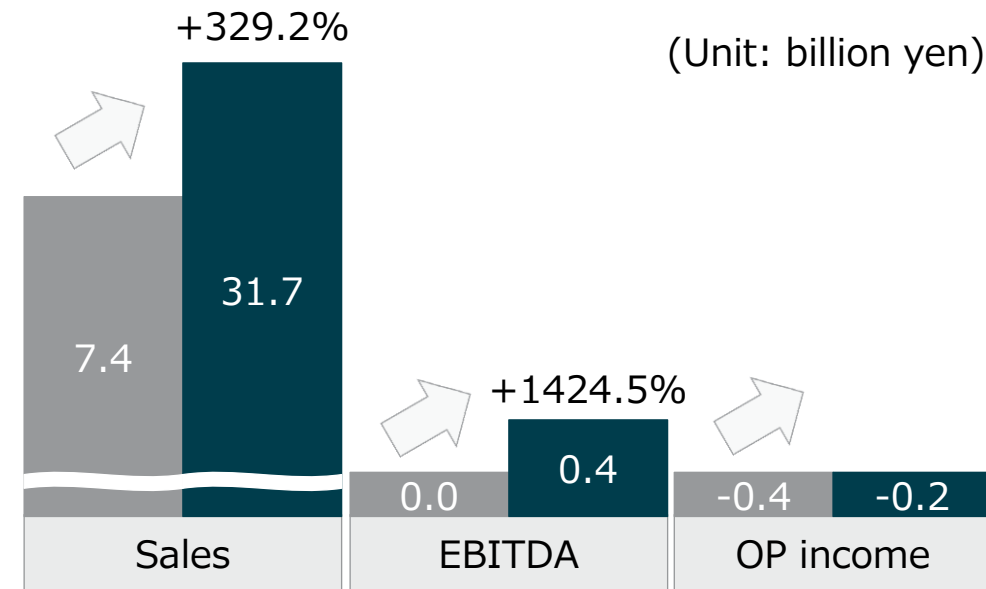
(Unit: million yen)

	2017/3 Results	2018/3 Results		2018/3 Forecasts	
	1st Half	1st Half	YoY(%)	Full Year	Progress rate (%)
Sales	31,992	35,335	+10.4%	78,100	45.2
EBITDA	6,753	6,391	-5.4%	13,100	48.8
EBITDA margin (%)	21.1	18.1	-	16.8	-
OP income	4,738	4,705	-0.7%	9,500	49.5
OP income ratio (%)	14.8	13.3	-	12.2	-

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

2018/3 2Q Transition of Business Results by Segments ③ Overseas



2018/3 2Q : 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

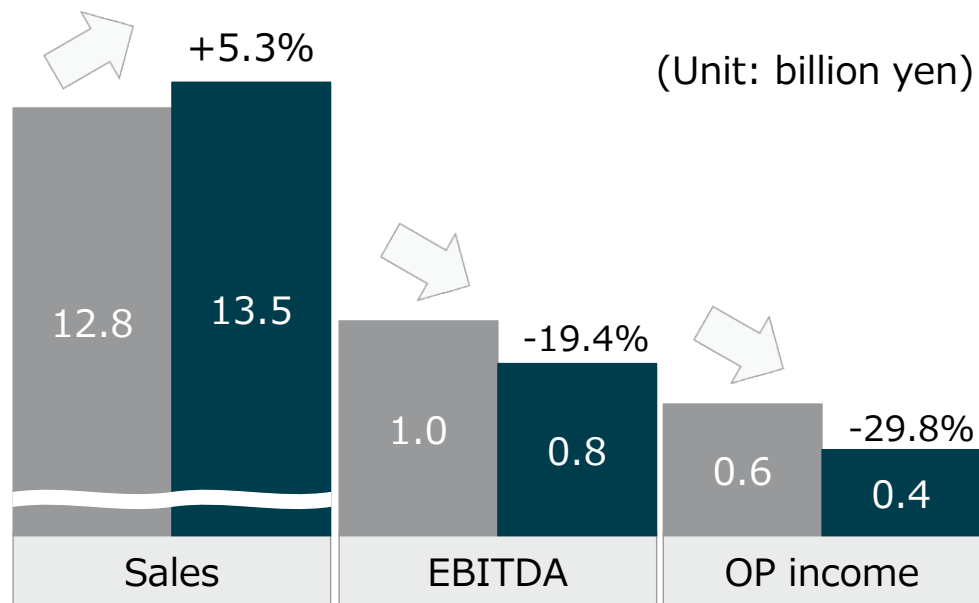
(Unit: million yen)

	2017/3 Results	2018/3 Results		2018/3 Forecasts	
	1st Half	1st Half	YoY(%)	Full Year	Progress rate (%)
Sales	7,406	31,792	+329.2%	63,100	50.4
EBITDA	29	446	+1424.5%	977	45.7
EBITDA margin (%)	0.4	1.4	-	1.5	-
OP income	-422	-285	-	-600	-
OP income ratio (%)	-5.7	-0.9	-	-1.0	-

*Internal transactions have not been eliminated from the figures

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

2018/3 2Q Transition of Business Results by Segments ④ ITO



2018/3 2Q : 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 consulting service, the sales marketing service
- Profitability declined temporarily due to labor condition improvement for retention and recruitment of IT engineers as well as office expansion etc

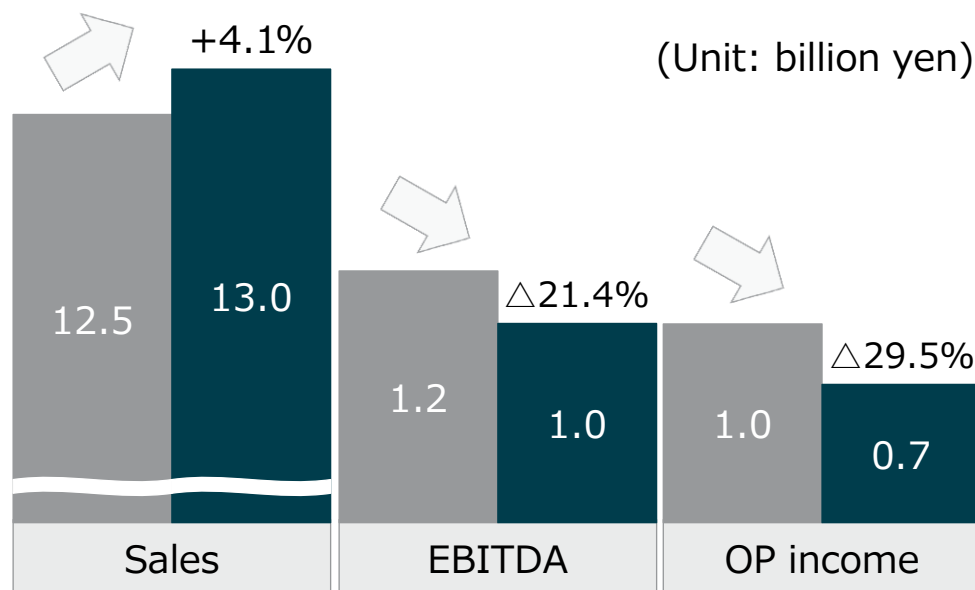
(Unit: million yen)

	2017/3 Results	2018/3 Results		2018/3 Forecasts	
	1st Half	1st Half	YoY(%)	Full Year	Progress rate (%)
Sales	12,851	13,532	+5.3%	29,400	46.0
EBITDA	1,013	816	-19.4%	2,991	27.3
EBITDA margin (%)	7.9	6.0	-	10.2	-
OP income	688	483	-29.8%	2,400	20.2
OP income ratio (%)	5.4	3.6	-	8.2	-

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2018/3 2Q Transition of Business Results by Segments ⑤ Engineering



2018/3 2Q : Highlights

- Demand of design development and experiment from the automobile and electric industries remained solid
- Demand from clients increased along with the new brand penetration
- Profitability declined temporary, due to cost increase in particular project occurred in 1Q

(Unit: million yen)

	2017/3 Results	2018/3 Results		2018/3 Forecasts	
	1st Half	1st Half	YoY(%)	Full Year	Progress rate (%)
Sales	12,545	13,062	+4.1%	28,100	46.5
EBITDA	1,284	1,010	-21.4%	2,869	35.2
EBITDA margin (%)	10.2	7.7	-	10.2	-
OP income	1,006	709	-29.5%	2,200	32.2
OP income ratio (%)	8.0	5.4	-	7.8	-

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

2018/3 2Q Transition of Business Results by Segments ⑥ Others/Adjustment

(Unit: million yen)

Others	2017/3 Results	2018/3 Results		2018/3 Forecasts	
	1st Half	1st Half	YoY(%)	Full Year	Progress rate (%)
Sales	3,274	1,976	-39.6%	4,300	46.0
EBITDA	189	-66	-	-120	-
EBITDA margin (%)	5.8	-3.4	-	-2.8	-
OP income	162	-98	-	-200	-
OP income ratio (%)	5.0	-5.0	-	-4.7	-

(Unit: million yen)

Adjustment	2017/3 Results	2018/3 Results		2018/3 Forecasts	
	1st Half	1st Half	YoY(%)	Full Year	Progress rate (%)
Sales	-5,783	-6,406	-	-11,100	-
EBITDA	862	194	-	1,011	-
EBITDA margin (%)	-	-	-	-	-
OP income	555	-173	-	0	-
OP income ratio (%)	-	-	-	-	-

*Internal transactions have not been eliminated from the figures

*See the "Factbook for the Second Quarter Ended September 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.

Dividend Policy

Stable dividend payment will be continued according to the progress of business results, while enhancing our business structure to be able to expand business in growth areas swiftly and aggressively

	2014/3		2015/3		2016/3		2017/3		2018/3	
	Interim	Year-end	Interim	Year-end	Interim	Year-end	Interim	Year-end	Interim	Year-end
Dividend per Share	(※) 3.3 yen	(※) 4.6 yen	(※) 4.6 yen	(※) 6 yen	(※) 6 yen	7 yen	8 yen	9 yen	9 yen	9 yen (Plan)
Total amount of Dividend	1,754 million yen		2,340 million yen		3,046 million yen		3,985 million yen		-	
Dividend Ratio (Consolidated)	16.9%		17.4%		17.2%		22.4%		19.0% (Plan)	

(※) Stock Split in October 29, 2015

- Temp Holdings conducted the 3-for-1 stock split for the common stock of the company, for the purpose of enhancing the liquidity of the Company's shares and broadening its investor base by reducing the price of one investment unit of the Company's stock.
- Dividend before interim 2016 have been calculated on the basis that the stock split had been effective at the beginning of the year ended March 31, 2016.

*See the "Share Split and Related Article of Incorporation Modification; Convertible Bond Conversion Price Adjustment and Dividend Forecast Revision" for details
(http://v4.eir-parts.net/v4Contents/View.aspx?template=ir_material_for_fiscal_ym&sid=34851&code=2181)

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)	66.0 billion yen (*6)
Goodwill	4.62 billion yen	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 Maintenance Services Limited 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 88.15

Disclaimer

The statements concerning the Company's future business performances in this material such as earnings forecasts are based on information available as of November 13, 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.

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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.