Briefing on Consolidated Financial Results for the Third Quarter Ended December 31, 2017

PERSOL

PERSOL HOLDINGS CO., LTD.
February 14, 2018

Change in Business Segments

Established "PROGRAMMED" in conjunction with the consolidation of the newly acquired Programmed* and its subsidiaries

Formerly known as the "Overseas" segment had a name change to "PERSOLKELLY" segment

Former Segmentation (~2018/3 2nd quarter)

1	Temporary Staffing/BPO*
2	Recruiting
3	Overseas
4	ITO*
5	Engineering
6	Others

New Segmentation (2018/3 3rd quarter~)

1	Temporary Staffing/BPO	
2	Recruiting	
3	PROGRAMMED	New
4	PERSOLKELLY	Name change
5	ITO	
6	Engineering	
7	Others	

*Programmed : Acquisition of 100% shares of Programmed Maintenance Services Limited, which provides HR services and maintenance business mainly in Australia

*BPO : Business Process Outsourcing, ITO : IT Outsourcing (same as following pages)

2018/3 3Q : Summary of Consolidated Business Results

PERSOL

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

(Unit: million yen)

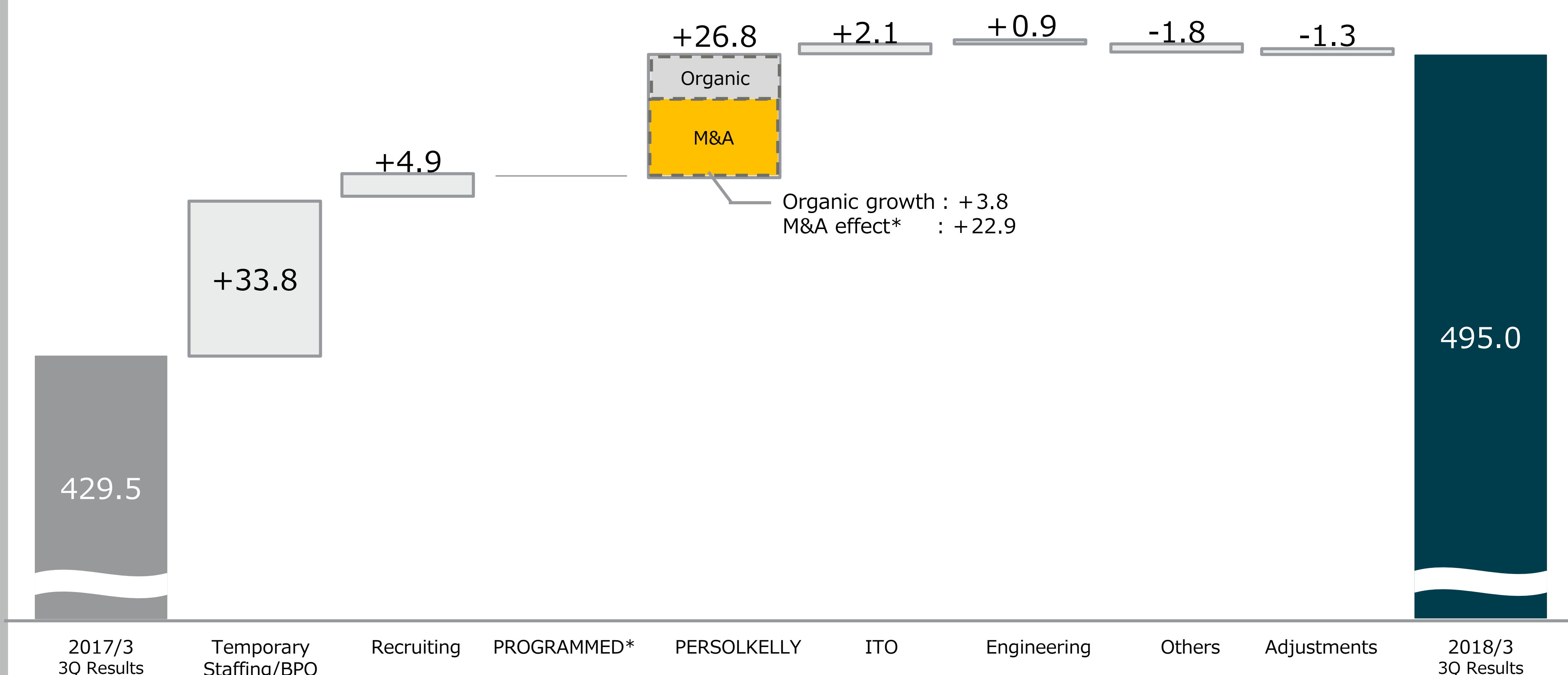
	2017/3 Results		2018/3 Results			2018/3 Forecasts*	
	1st Half	Ratio(%)	1st Half	Ratio(%)	YoY(%)	Full Year	Progress rate (%)
Sales	429,560	100.0	495,085	100.0	+15.3	732,300	67.6
Gross Profit	104,795	24.4	118,323	23.9	+12.9	-	-
EBITDA*	32,707	7.6	33,648	6.8	+2.9	48,508	69.4
OP income	25,287	5.9	25,899	5.2	+2.4	36,000	71.9
Profit attributable to owners of parent	15,024	3.5	10,872	2.2	-27.6	18,667	58.2

*Rounded down (same as following pages) *EBITDA = OP income + Depreciation + Amortization of Goodwill(same as following pages)
*The financial forecast for the full fiscal year 2018 was revised on February 14, 2018(See the「Appendix : Revision of the financial forecast」for details)

2018/3 3Q : Sales Analysis

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

(Unit: billion yen)



*PROGRAMMED : The financial closing date of Programmed is different from that of PERSOL for 3 months, and the Deemed Acquisition Date for Business Combinations is set as September 30, 2017. Therefore, the performances for the 3rd quarter are not included.

*M&A effect : Kelly Services (Singapore) Pte. Ltd had been consolidated from October 2016

2018/3 3Q : Sales by Segment

Continuous steady growth in each segment

(Unit: million yen)

	2017/3 Results	2018/3 Results		2018/3 Forecasts*	
	3Q	3Q	YoY(%)	Full Year	Progress rate (%)
Temporary Staffing/BPO	325,384	359,263	+10.4	485,400	74.0
Recruiting	47,783	52,736	+10.4	78,100	67.5
PROGRAMMED	-	-	-	55,000	-
PERSOLKELLY	21,612	48,452	+124.2	63,100	76.8
ITO	18,811	21,004	+11.7	29,400	71.4
Engineering	19,233	20,154	+4.8	28,100	71.7
Others	4,996	3,123	-37.5	4,300	72.6
Adjustment	-8,261	-9,648	-	-11,100	-
TOTAL	429,560	495,085	+15.3	732,300	67.6

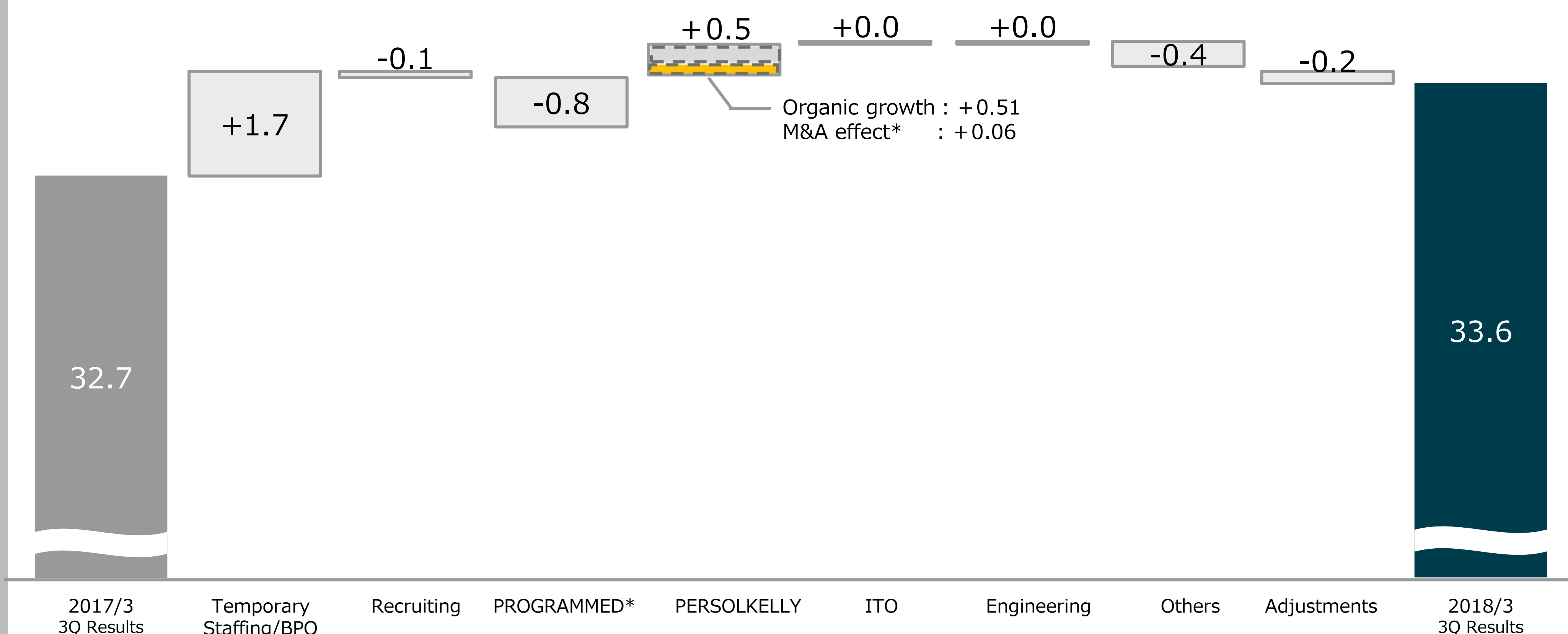
*PROGRAMMED : The financial closing date of Programmed is different from that of PERSOL for 3 months, and the Deemed Acquisition Date for Business Combinations is set as September 30, 2017. Therefore, the performances for the 3rd quarter are not included.
*Internal transactions have not been eliminated from the figures
*The financial forecast for the full fiscal year 2018 was revised on February 14, 2018（See the「Appendix : Revision to the financial forecast」for details)

2018/3 3Q : EBITDA Analysis

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

Acquisition costs of Programmed was booked

(Unit: billion yen)



*PROGRAMMED : The financial closing date of Programmed is different from that of PERSOL for 3 months, and the Deemed Acquisition Date for Business Combinations is set as September 30, 2017. Therefore, the performances for the 3rd quarter are not included. (Acquisition cost led to the loss of JPY 0.8 billion)

*M&A effect : Kelly Services (Singapore) Pte. Ltd had been consolidated from October 2016

2018/3 3Q : EBITDA by Segment

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

Acquisition costs of Programmed was booked

(Unit: million yen)

	2017/3 Results	2018/3 Results		2018/3 Forecasts*	
	3Q	3Q	YoY(%)	Full Year	Progress rate (%)
Temporary Staffing/BPO	17,678	19,433	+9.9	26,278	74.0
Recruiting	9,604	9,454	-1.6	13,100	72.2
PROGRAMMED	-	-804	-	1,100	-
PERSOLKELLY	217	794	+265.5	1,177	67.5
ITO	1,738	1,831	+5.3	2,991	61.2
Engineering	1,815	1,910	+5.2	2,869	66.6
Others	312	-89	-128.6	-120	134.8
Adjustment	1,340	1,118	-	1,111	-
TOTAL	32,707	33,648	+2.9	48,508	69.4

*PROGRAMMED : The financial closing date of Programmed is different from that of PERSOL for 3 months, and the Deemed Acquisition Date for Business Combinations is set as September 30, 2017. Therefore, the performances for the 3rd quarter are not included. (Acquisition cost led to the loss of JPY 0.8 billion)

*Internal transactions have not been eliminated from the figures

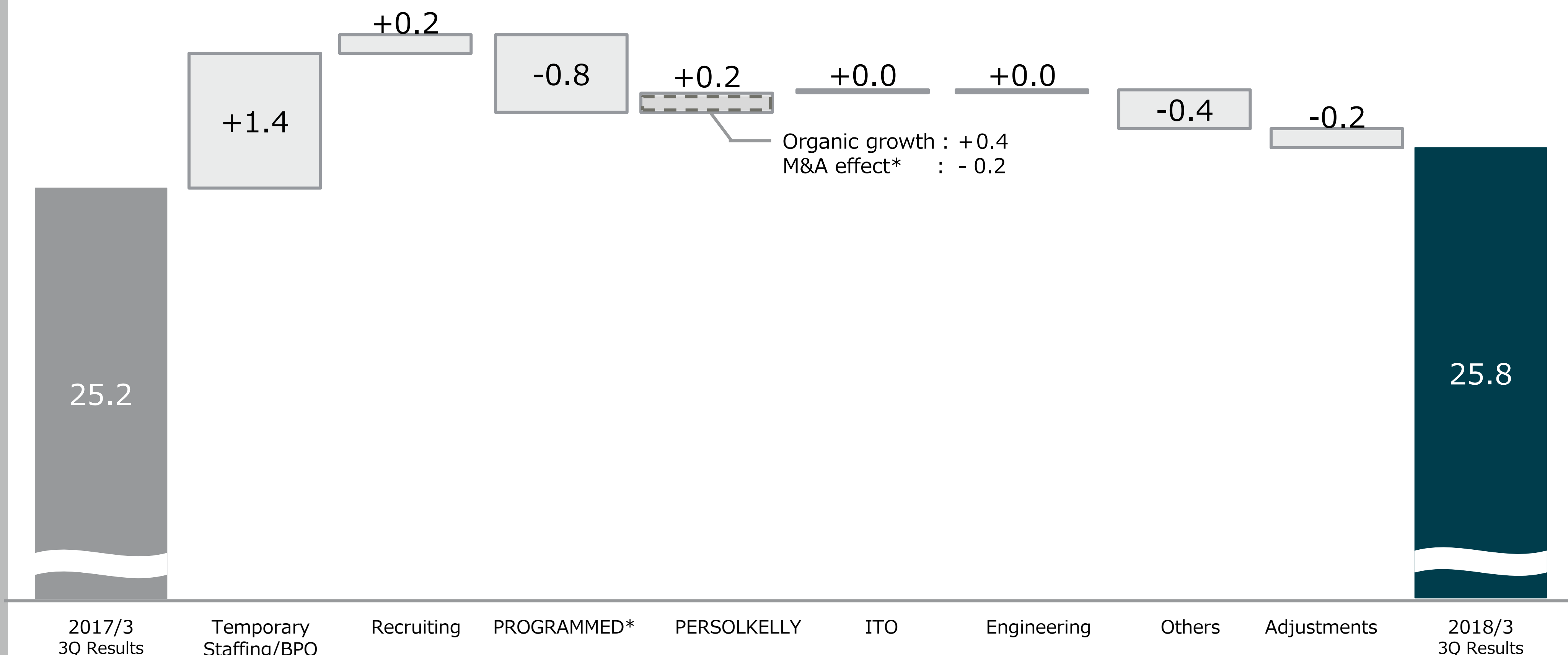
*The financial forecast for the full fiscal year 2018 was revised on February 14, 2018 (See the「Appendix : Revision to the financial forecast」for details)

2018/3 3Q : OP income Analysis

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

Acquisition costs of Programmed was booked

(Unit: billion yen)



*PROGRAMMED : The financial closing date of Programmed is different from that of PERSOL for 3 months, and the Deemed Acquisition Date for Business Combinations is set as September 30, 2017. Therefore, the performances for the 3rd quarter are not included. (Acquisition cost led to the loss of JPY 0.8 billion)

*M&A effect : Kelly Services (Singapore) Pte. Ltd had been consolidated from October 2016

2018/3 3Q : OP income by Segment

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

Acquisition costs of Programmed was booked

(Unit: million yen)

	2017/3 Results	2018/3 Results		2018/3 Forecasts*	
	3Q	3Q	YoY(%)	Full Year	Progress rate (%)
Temporary Staffing/BPO	15,422	16,908	+9.6	22,700	74.5
Recruiting	6,697	6,890	+2.9	9,500	72.5
PROGRAMMED	-	-804	-	-500	-
PERSOLKELLY	-586	-314	+86.6	-200	157.3
ITO	1,249	1,335	+6.9	2,400	55.6
Engineering	1,397	1,451	+3.9	2,200	66.0
Others	271	-139	-151.3	-200	143.9
Adjustment	836	572	-	100	-
TOTAL	25,287	25,899	+2.4	36,000	71.9

*PROGRAMMED : The financial closing date of Programmed is different from that of PERSOL for 3 months, and the Deemed Acquisition Date for Business Combinations is set as September 30, 2017. Therefore, the performances for the 3rd quarter are not included. (Acquisition cost led to the loss of JPY 0.8 billion)

*Internal transactions have not been eliminated from the figures

*The financial forecast for the full fiscal year 2018 was revised on February 14, 2018（See the「Appendix : Revision to the financial forecast」for details)

2018/3 3Q : Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2017		As of December 31, 2017		
	Results	Ratio(%)	Results	Ratio(%)	Change
Assets	268,364	100.0	392,334	100.0	123,970
Current assets	165,240	61.6	212,081	54.1	46,840
(Cash and deposits)	69,439	25.9	79,194	20.2	9,755
Non-current assets	103,123	38.4	180,252	45.9	77,129
(Right of trademark and goodwill)	73,557	27.4	123,023	31.4	49,466
Liabilities	114,547	42.7	232,676	59.3	118,129
Current liabilities	87,913	32.8	193,317	49.3	105,404
(Current portion of loans payable)	5,053	1.9	80,773	20.6	75,719
Non-current liabilities	26,634	9.9	39,358	10.0	12,724
(Long-term loans payable)	20,426	7.6	26,616	6.8	6,190
Net assets	153,816	57.3	159,657	40.7	5,840
Owners' capital	139,119	51.8	145,950	37.2	6,830
(Capital stock)	17,465	6.5	17,467	4.5	2
(Capital surplus)	20,156	7.5	20,182	5.1	26
(Legal retained earnings)	102,432	38.2	109,096	27.8	6,663
Minority interests	14,696	5.5	13,707	3.5	-989

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

<Right of trademark and goodwill>
Increased due to M&A*

<Current liabilities>
Increase in short-term loans payable

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

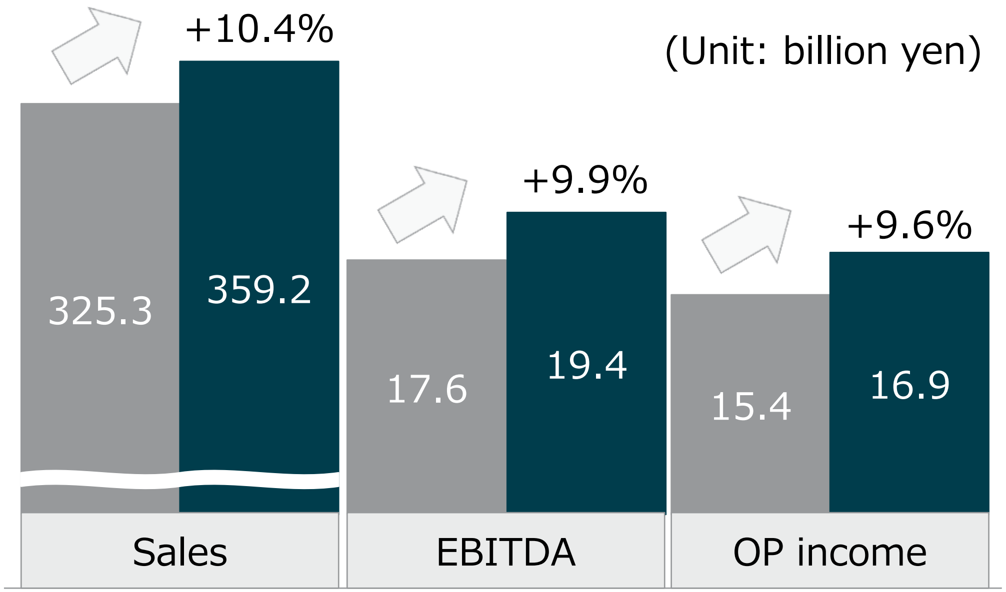
<Legal retained earnings>
Increased due to an increase in profit

*M&A : Acquisition of 100% shares of Programmed Maintenance Services Limited, which provides HR services and maintenance business mainly in Australia

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

PERSOL

(Unit: billion yen)



2018/3 3Q : Highlights

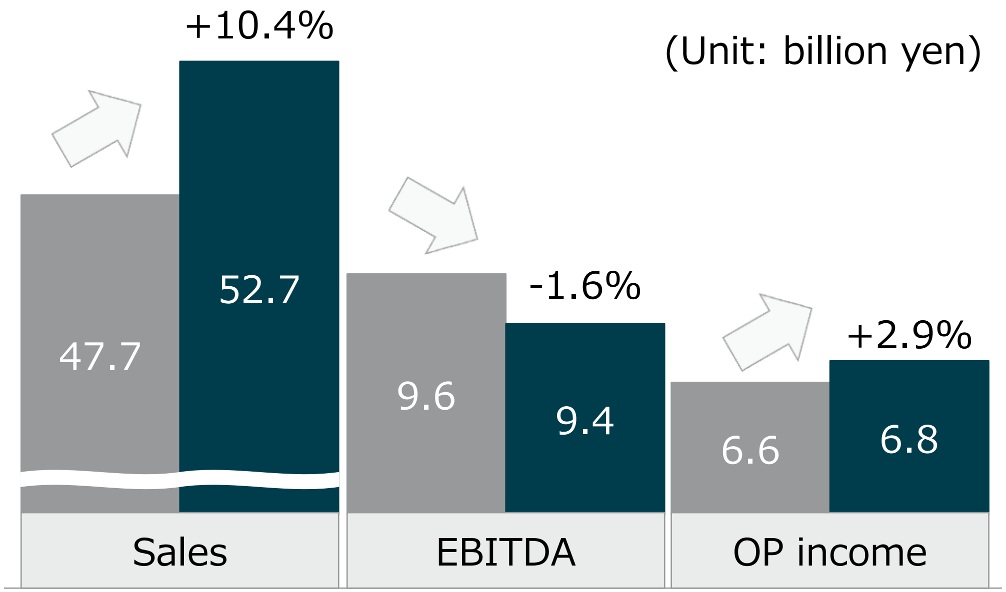
- Demand from client companies remained strong, sales increased due to the increase of the number of temporary staffing who is working
- Demand for temporary staffing remains strong due to workforce shortage and job relocation of client's company, supported by Work-style-reform
- Operating income increased 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	
	3Q	3Q	YoY(%)	Full Year	Progress rate (%)
Sales	325,384	359,263	+10.4	485,400	74.0
EBITDA	17,678	19,433	+9.9	26,278	74.0
EBITDA margin (%)	5.4	5.4	-	5.4	-
OP income	15,422	16,908	+9.6	22,700	74.5
OP income ratio (%)	4.7	4.7	-	4.7	-

*Internal transactions have not been eliminated from the figures
*See the "Factbook for the Third Quarter Ended December 31, 2017" released on the website on the same date for the quarterly results

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



2018/3 3Q : 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	
	3Q	3Q	YoY(%)	Full Year	Progress rate (%)
Sales	47,783	52,736	+10.4	78,100	67.5
EBITDA	9,604	9,454	△1.6	13,100	72.2
EBITDA margin (%)	20.1	17.9	-	16.8	-
OP income	6,697	6,890	+2.9	9,500	72.5
OP income ratio (%)	14.0	13.1	-	12.2	-

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2018/3 3Q Transition of Business Results by Segments ③PROGRAMMED

PERSOL

(Unit: billion yen)

2018/3 3Q : Highlights

- Acquisition costs of Programmed was booked
- Consolidation of Programmed starts from 4Q

（See the「Appendix：Revision to the financial forecast」for details）

(Unit: million yen)

	2017/3 Results	2018/3 Results		2018/3 Forecasts*	
	3Q	3Q	YoY(%)	Full Year	Progress rate (%)
Sales	-	-	-	55,000	-
EBITDA	-	-804	-	1,100	-
EBITDA margin (%)	-	-	-	2.0	-
OP income	-	-804	-	-500	-
OP income ratio (%)	-	-	-	-0.9	-

*The financial forecast for the full fiscal year 2018 was revised on February 14, 2018（See the「Appendix：Revision to the financial forecast」for details）
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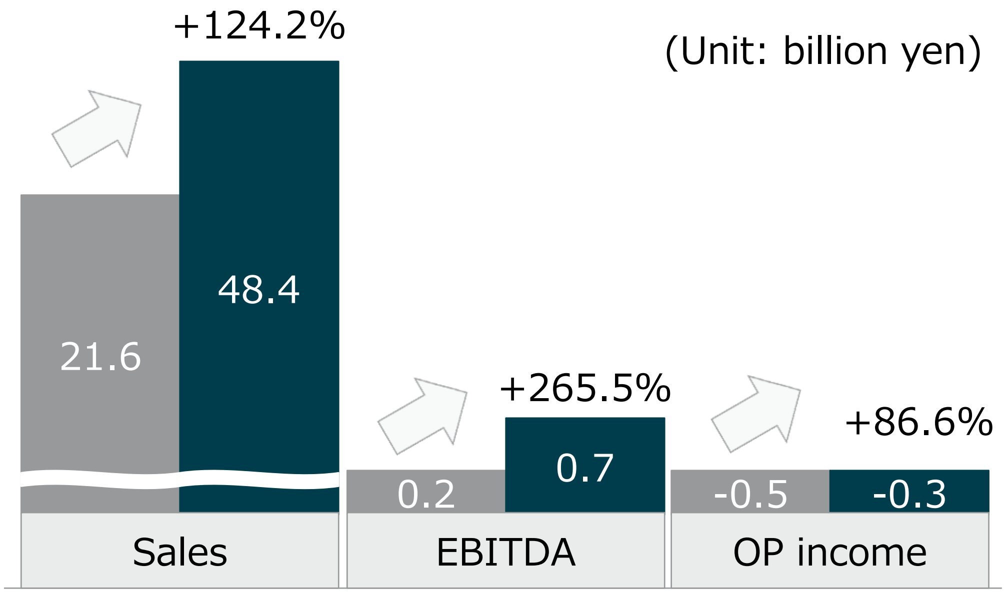
2018/3 3Q Transition of Business Results by Segments ④ PERSOLKELLY

(Unit: billion yen)



2018/3 3Q：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*	
	3Q	3Q	YoY(%)	Full Year	Progress rate (%)
Sales	21,612	48,452	+124.2	63,100	76.8
EBITDA	217	794	+265.5	1,177	67.5
EBITDA margin (%)	1.0	1.6	-	1.5	-
OP income	-586	-314	+86.6	-200	157.3
OP income ratio (%)	-2.7	-0.6	-	-0.3	-

*The financial forecast for the full fiscal year 2018 was revised on February 14, 2018（See the「Appendix：Revision to the financial forecast」for details)
*Internal transactions have not been eliminated from the figures
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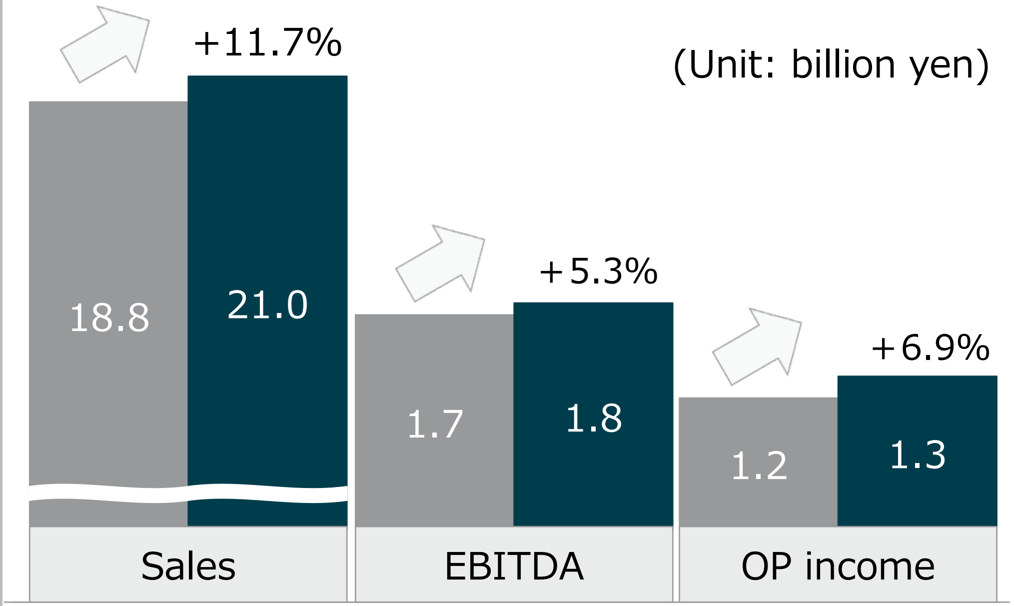
2018/3 3Q Transition of Business Results by Segments ⑤ ITO



2018/3 3Q : Highlights

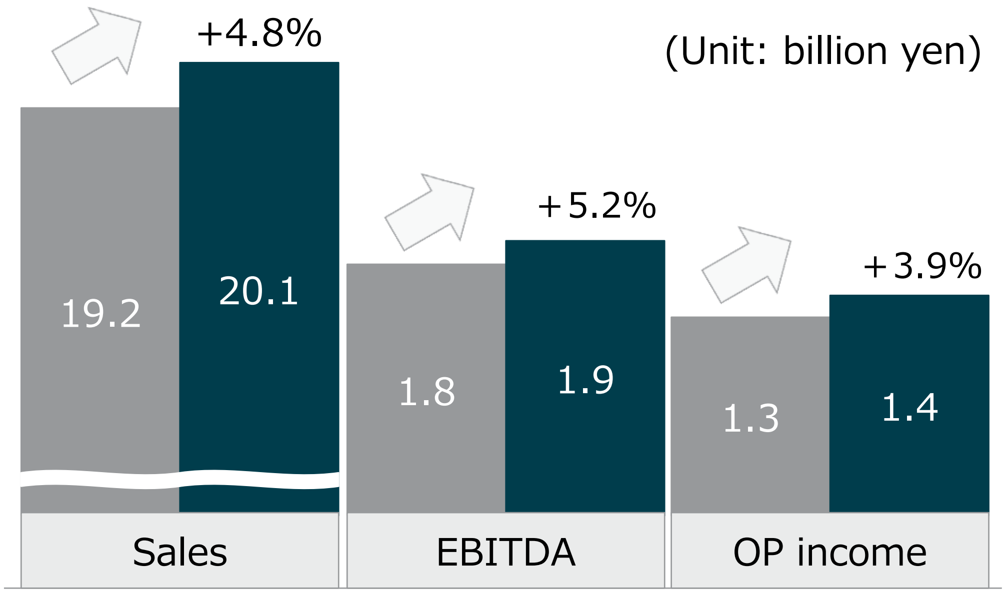
- Demand for IT system and SI-related services from client companies remained solid
- Achieved sales growth due to the increase in the high value-added PJ such as consulting service, the sales marketing service as well as in-house products
- Profitability declined temporarily due to labor condition improvement 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	
	3Q	3Q	YoY(%)	Full Year	Progress rate (%)
Sales	18,811	21,004	+11.7	29,400	71.4
EBITDA	1,738	1,831	+5.3	2,991	61.2
EBITDA margin (%)	9.2	8.7	-	10.2	-
OP income	1,249	1,335	+6.9	2,400	55.6
OP income ratio (%)	6.6	6.4	-	8.2	-

*Internal transactions have not been eliminated from the figures
*See the "Factbook for the Third Quarter Ended December 31, 2017" released on the website on the same date for the quarterly results

2018/3 3Q Transition of Business Results by Segments ⑥ Engineering



2018/3 3Q : Highlights

- Demand of design, development and experiment from the automobile and electric industries remained solid
- Progress in developing new technical fields such as MBD
- Expansion of human resources such as recruitment and use of business partners going smoothly

*MBD : Model-based development, a development method that promotes product evaluation and testing on a computer, which has been introduced in the automotive market with the purpose of improving the efficiency of software development (evaluation) in recent years.

(Unit: million yen)

	2017/3 Results	2018/3 Results		2018/3 Forecasts	
	3Q	3Q	YoY(%)	Full Year	Progress rate (%)
Sales	19,233	20,154	+4.8	28,100	71.7
EBITDA	1,815	1,910	+5.2	2,869	66.6
EBITDA margin (%)	9.4	9.5	-	10.2	-
OP income	1,397	1,451	+3.9	2,200	66.0
OP income ratio (%)	7.3	7.2	-	7.8	-

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*See the "Factbook for the Third Quarter Ended December 31, 2017" released on the website on the same date for the quarterly results

2018/3 3Q Transition of Business Results by Segments ⑦ Others／Adjustment

(Unit: million yen)

Others	2017/3 Results	2018/3 Results		2018/3 Forecasts	
	3Q	3Q	YoY(%)	Full Year	Progress rate (%)
Sales	4,996	3,123	-37.5	4,300	72.6
EBITDA	312	-89	-128.6	-120	134.8
EBITDA margin (%)	6.2	-2.9	-	-2.8	-
OP income	271	-139	-151.3	-200	143.9
OP income ratio (%)	5.4	-4.5	-	-4.7	-

(Unit: million yen)

Adjustment	2017/3 Results	2018/3 Results		2018/3 Forecasts*	
	3Q	3Q	YoY(%)	Full Year	Progress rate (%)
Sales	-8,261	-9,648	-	-11,100	-
EBITDA	1,340	1,118	-	1,111	-
EBITDA margin (%)	-	-	-	-	-
OP income	836	572	-	100	-
OP income ratio (%)	-	-	-	-	-

*The financial forecast for the full fiscal year 2018 was revised on February 14, 2018（See the「Appendix：Revision to the financial forecast」for details）
*Internal transactions have not been eliminated from the figures
*See the "Factbook for the Third Quarter Ended December 31, 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 : Revision of financial forecast

(Unit: million yen)

	Previous forecast (a)	Revised forecast (b)	Change in amount (b-a)	Rate of changes (%) (b/a)	Reasons	Reference: 2017/3 Results (c)	YoY (%) (b/c)
Sales	677,300	732,300	55,000	8.1	As the consolidation of Programmed starts from 4Q	591,995	23.7
EBITDA	47,108	48,508	1,400	3.0	As the consolidation of Programmed starts from 4Q etc (See EBITDA by Segment page for details)	43,433	11.7
OP income	36,000	36,000	0	0.0	(See OP income by Segment page for details)	33,409	7.8
Profit attributable to owners of parent	22,200	18,667	-3,533	-15.9	Due to an goodwill impairment loss of JPY 5,577 million being recorded as an extraordinary loss in the 3Q	17,820	4.8

Appendix : Revision of financial forecast（Sales by Segment）

(Unit: million yen)

	Previous forecast (a)	Revised forecast (b)	Change in amount (b-a)	Rate of changes (%) (b/a)	Reasons	Reference: 2017/3 Results (c)	YoY (%) (b/c)
Temporary Staffing/BPO	485,400	485,400	0	0.0	-	440,678	10.1
Recruiting	78,100	78,100	0	0.0	-	66,134	18.1
PROGRAMMED	-	55,000	55,000	-	As the consolidation of Programmed starts from 4Q	-	-
PERSOLKELLY	63,100	63,100	0	0.0	-	37,108	70.0
ITO	29,400	29,400	0	0.0	-	26,646	10.3
Engineering	28,100	28,100	0	0.0	-	26,668	5.4
Others	4,300	4,300	0	0.0	-	6,756	△36.4
Adjustment	-11,100	-11,100	0	0.0	-	-11,997	1.1
TOTAL	677,300	732,300	55,000	8.1	As the consolidation of Programmed starts from 4Q	591,995	23.7

Appendix : Revision of financial forecast（EBITDA by Segment）

(Unit: million yen)

	Previous forecast (a)	Revised forecast (b)	Change in amount (b-a)	Rate of changes (%) (b/a)	Reasons	Reference: 2017/3 Results (c)	YoY (%) (b/c)
Temporary Staffing/BPO	26,278	26,278	0	0.0	-	23,808	10.4
Recruiting	13,100	13,100	0	0.0	-	13,194	△0.7
PROGRAMMED		1,100	1,100	-	As the consolidation of Programmed starts from 4Q	-	-
PERSOLKELLY	977	1,177	200	20.5	Due to favorable performance	323	264.4
ITO	2,991	2,991	0	0.0	-	2,747	8.9
Engineering	2,869	2,869	0	0.0	-	2,539	13.0
Others	-120	-120	0	0.0	-	243	-149.4
Adjustment	1,011	1,111	100	0.0	Due to the initial budget has not been used	576	-
TOTAL	47,108	48,508	1,400	3.0	Upward revision as a result of the above	43,433	11.7

Appendix : Revision of financial forecast（OP income by Segment)

(Unit: million yen)

	Previous forecast (a)	Revised forecast (b)	Change in amount (b-a)	Rate of changes (%) (b/a)	Reasons	Reference: 2017/3 Results (c)	YoY (%) (b/c)
Temporary Staffing/BPO	22,700	22,700	0	0.0	-	20,747	9.4
Recruiting	9,500	9,500	0	0.0	-	9,363	1.5
PROGRAMMED	-	-500	-500	-	Although consolidation of Programmed starts from 4Q, we expect OP income loss due to acquisition cost	-	-
PERSOLKELLY	-600	-200	400	200.0	Due to favorable performance and reduced amortization due to impairment of goodwill	-868	334.0
ITO	2,400	2,400	0	0.0	-	2,095	14.6
Engineering	2,200	2,200	0	0.0	-	1,979	11.2
Others	-200	-200	0	0.0	-	188	-206.4
Adjustment	0	100	100	-	Due to the initial budget has not been used	-96	-
TOTAL	36,000	36,000	0	0.0	No revision as a result of the above	33,409	7.8

Appendix : Recent M&As

Company name	Capita Pte. Ltd.	Kelly Services (Singapore) Pte. Ltd.	Programmed Maintenance Services Limited	
Established	January, 2001	August, 2000	January, 1992	
Net Sales (*1)	47.4 million SGD (*2)	387 million USD (*3)	2,691 million AUD (*5)	
OP income (*1)	-3.0 million SGD (*2)	9 million USD (*3)	21 million AUD (*5)	
Acquisition date	October, 2015	July, 2016	October, 2017	
Contribution from	2016/3 4th quarter	2017/3 3rd quarter	2018/3 4th quarter	
Ownership ratio	51%		100%	
Acquisition price	6.94 billion yen	7.77 billion yen (*4)	66.0 billion yen (*6)	
Goodwill	6.07 billion yen	4.62 billion yen	Staffing	Maintenance
			21.0 billion yen	31.5 billion yen
Amortization period	10 year	10 year	10 year	20 year
Segment	PERSOLKELLY	PERSOLKELLY	PROGRAMMED	

*1. This briefing is only for better understanding. Please note that numbers and indexes in this page are not audited
*2 The figure is Capita Pte. Ltd.(Dec.2014) and consolidated results of 2 company's subsidiaries. OP income is after goodwill amortization (7.0 million SGD /year) which is calculated at the time of acquisition.
*3. The figure is the performance in the APAC region of the joint venture partner 'Kelly Services, Inc.' (FY ended Dec. 2015). (Including some businesses outside of the joint venture's scope.)
*4. The figure includes stock-kind contributions of our APAC business of Capita Pte. Ltd etc
*5. The figure is the performance of Programmed group FY ended Mar 2017. OP income is after goodwill amortization (tentative figures) and intangible fixed assets amortization (total 56 million AUD /year) which is calculated at the time of acquisition.
*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 February 14, 2018 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.