



IR Presentation Material :
Briefing on Consolidated Financial Results
for the Fiscal Year Ended March 31, 2018

PERSOL HOLDINGS CO., LTD.
May 17, 2018



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**Part1 : Financial Highlights on Financial Results
for the Fiscal Year Ended March 31, 2018**

Part2 : Revision of Mid-term Management Strategy

Part3 : Forecast for the Fiscal Year Ending March 31, 2019

Part1 :
Financial Highlights on Financial Results
for the Fiscal Year Ended March 31, 2018

2018/3 : Summary of Consolidated Business Results

(Unit: billion yen)		2017/3	2018/3			2018/3
		Results	Results	YoY	Achievement rate	Forecasts
Business Results	Sales	591.9	722.1	+22.0%	-1.4%	732.3
	Overseas sales ratio	6.3%	16.6%	+10.3%	+0.5%	16.1%
	EBITDA	43.4	48.0	+10.6%	-1.0%	48.5
	EBITDA margin	7.3%	6.7%	-0.7%	+0.1%	6.6%
	Operating income	33.4	36.0	+8.0%	+0.0%	36.0
	Operating income margin	5.6%	5.0%	-0.6%	+0.1%	4.9%
	Profit attributable to owners of parent	17.8	7.7	-56.4%	-41.6%	18.6
Indicates	ROE (%)	13.4%	5.5%	-7.9%	-	-
	EPS : diluted (Yen)	75.77	33.27	-56.1%	-	-
	Dividend ratio (%)	22.4%	57.1%	+34.7%	-	-
	Capital to asset ratio (%)	51.8%	36.1%	-15.7%	-	-

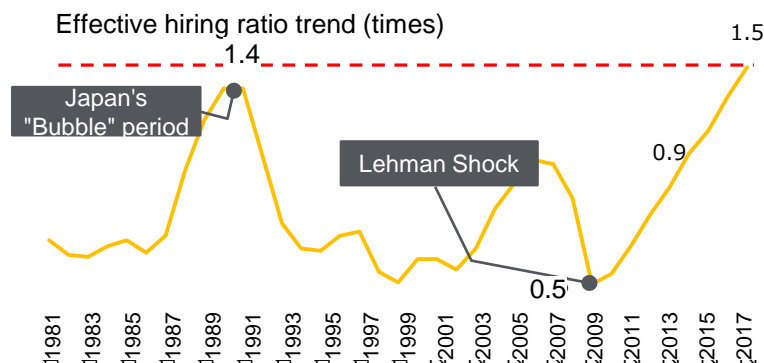
FY Ended March 2018: Consolidated Results Overview

Improvement on record high results of previous years was a reflection of the favorable market environment. Key themes next fiscal year: acceleration of expansion, overseas Post Merger Integration (PMI), and turnaround of the 'an' job listing advert business.

Market Environment

Favorable

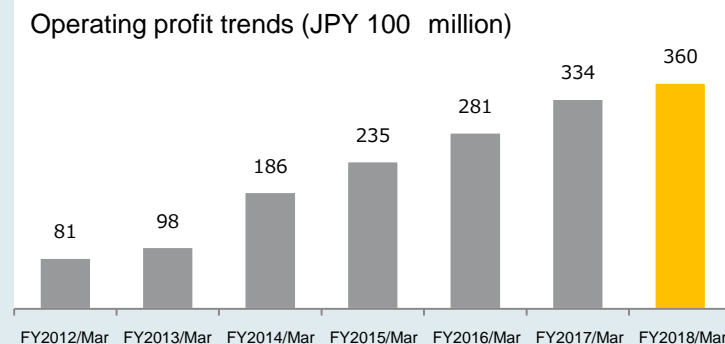
- Transition towards an era of structural labor shortages.
- A primary differentiation point between competitors will be the ability to speedily match labor needs with talent by leveraging abundant volumes of information and IT resources.
- Open-ended labor arrangements commenced from this financial year in accordance with revisions to Japan's Labor Contracts Act and Japan's Worker Dispatch ('Temp law') Act.



Results etc.

All time record high operating profit

- Implementing changes to reflect "PERSOL" company names, and branding investments.
- Enhanced presence in the APAC region with the acquisition of PROGRAMMED Ltd.
- On the other hand, impairment losses have been booked with the PERSOLKELLY business, and the "an" business (Recruiting Segment).

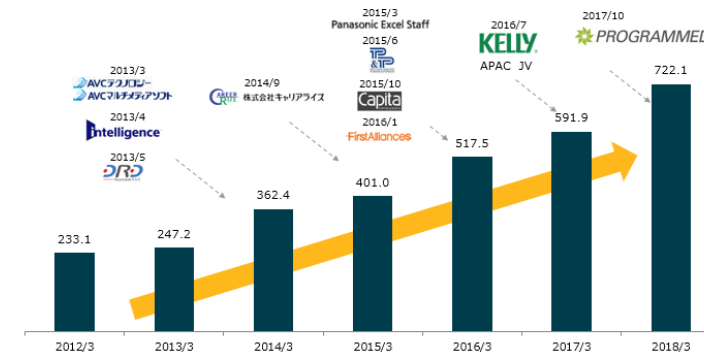


Outlook for the next period

Overseas Post Merger Integration (PMI)

"an" business

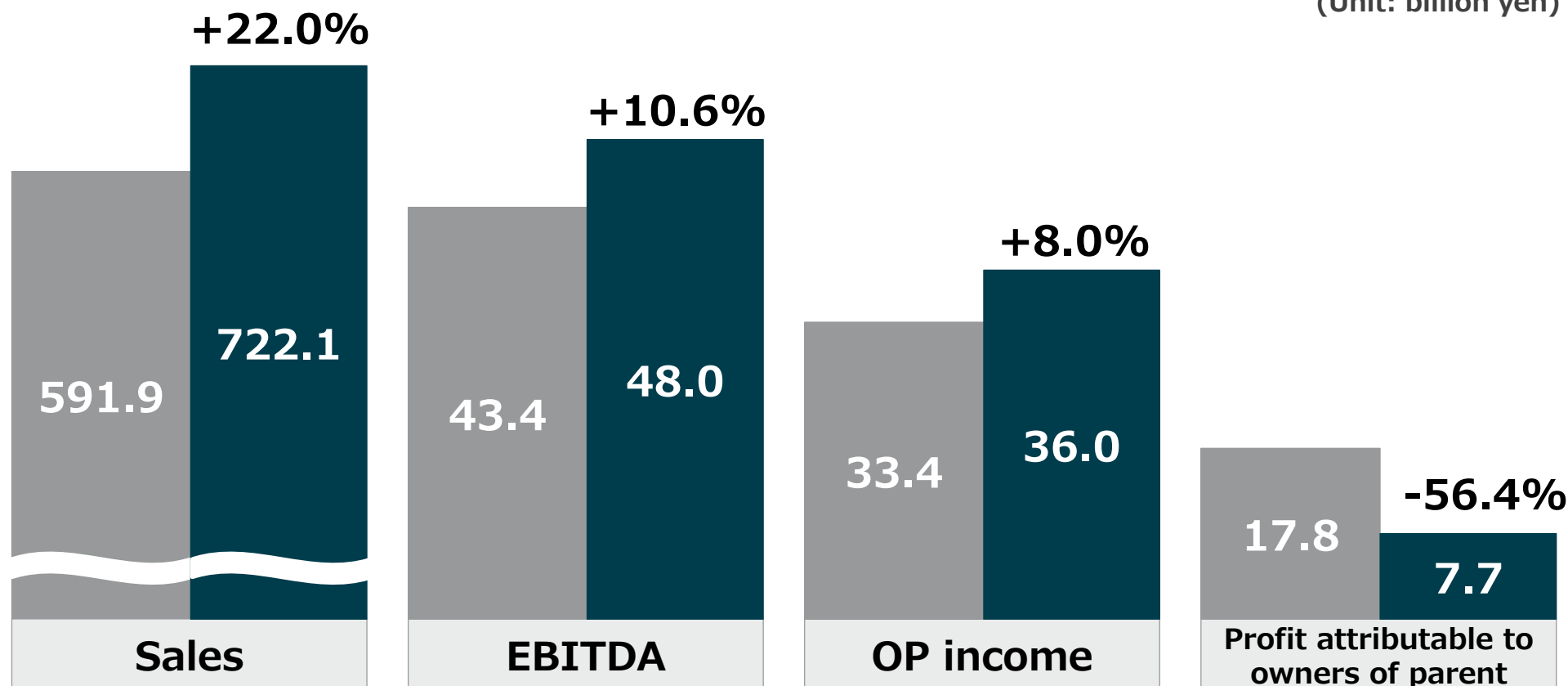
- Continued enhancement of corporate value.
- Appropriate handling of revisions to Japanese laws relating to the dispatch ('Temp') business.
- Progress made with overseas Post Merger Integration (PMI) activities; including PROGRAMMED Ltd.
- Turnaround of the "an" job listing advert business (intend to schedule a policy decision in Q2 targets).



2018/3 : Summary of Consolidated Business Results

While Sales grew +22.0% due to solid growth of existing business and M&A contribution, OP income increased +8.0% due to the cost increase from the investment in each segments, as well as expansion of group brand awareness and PROGRAMMED amortization cost. Impairment loss of PERSOLKELLY and 'an' business result in Profit attributable to owners of parent decline -56.4%

(Unit: billion yen)



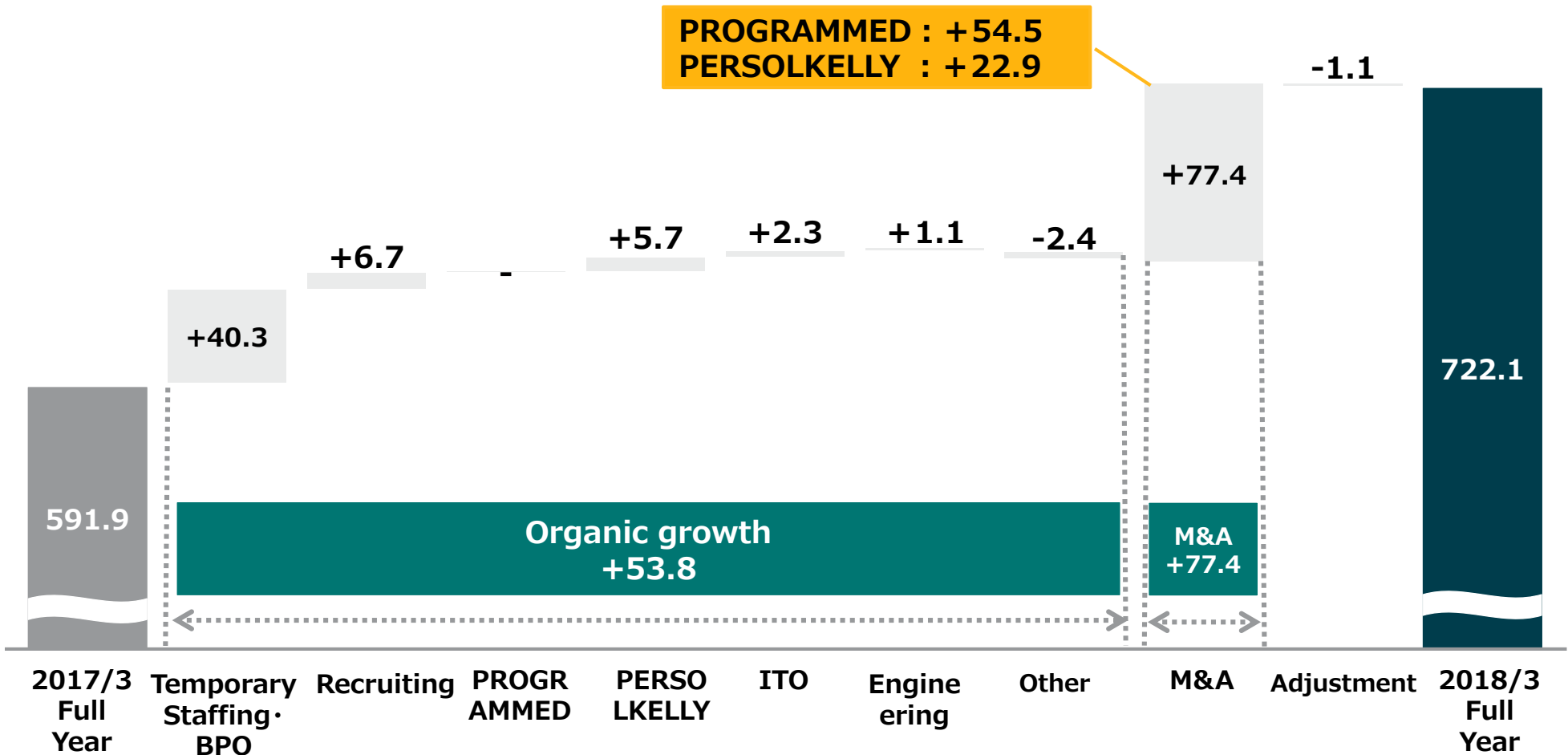
2017/3 Full Year

2018/3 Full Year

2018/3 : Sales Analysis

Sales grew +22.0% due to the +9.1% organic growth from existing business and M&A contribution

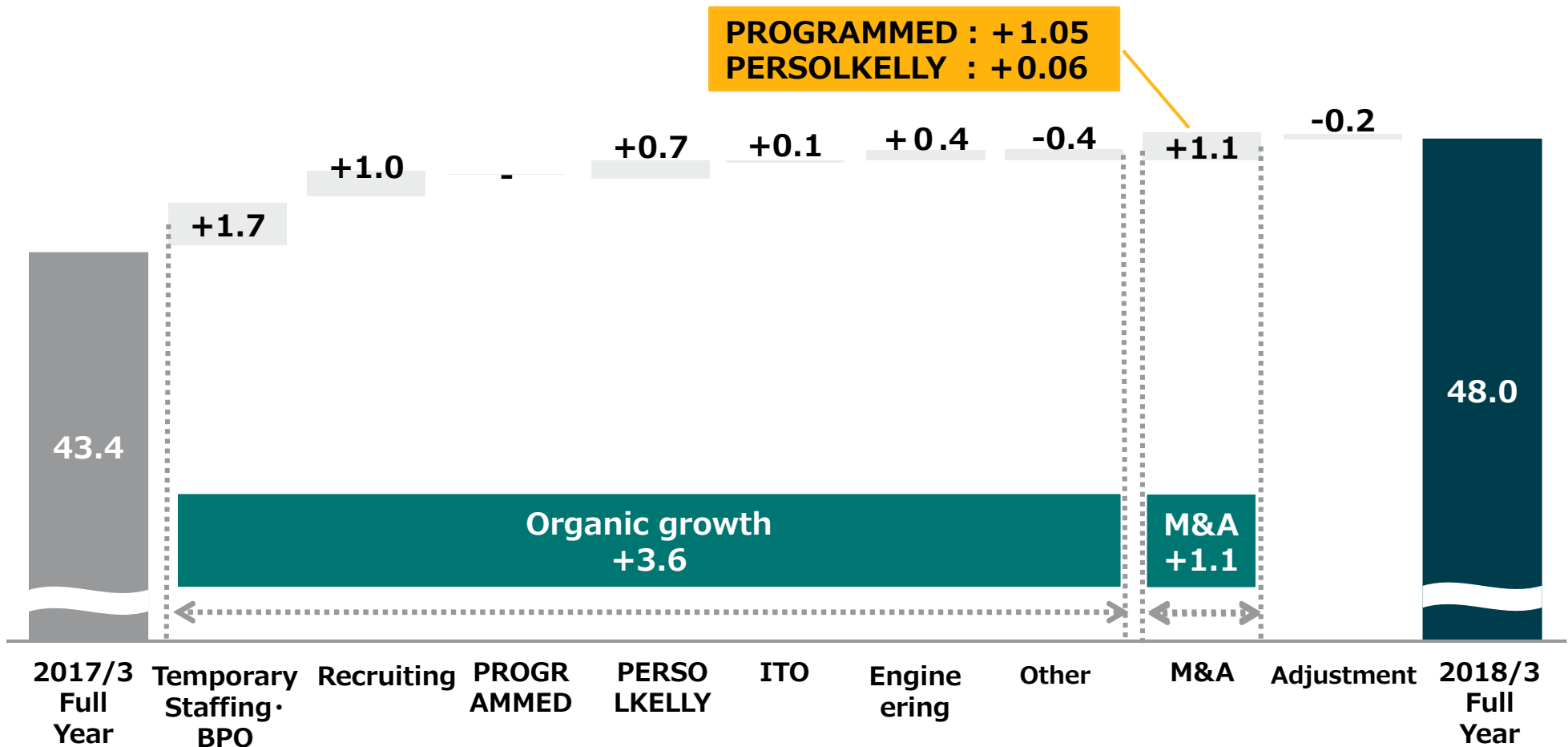
(Unit: billion yen)



2018/3 : EBITDA Analysis

EBITDA grew 4.6 billion yen due to the organic growth from Temporary Staffing·BPO and Recruiting business and M&A contribution of PROGRAMMED etc

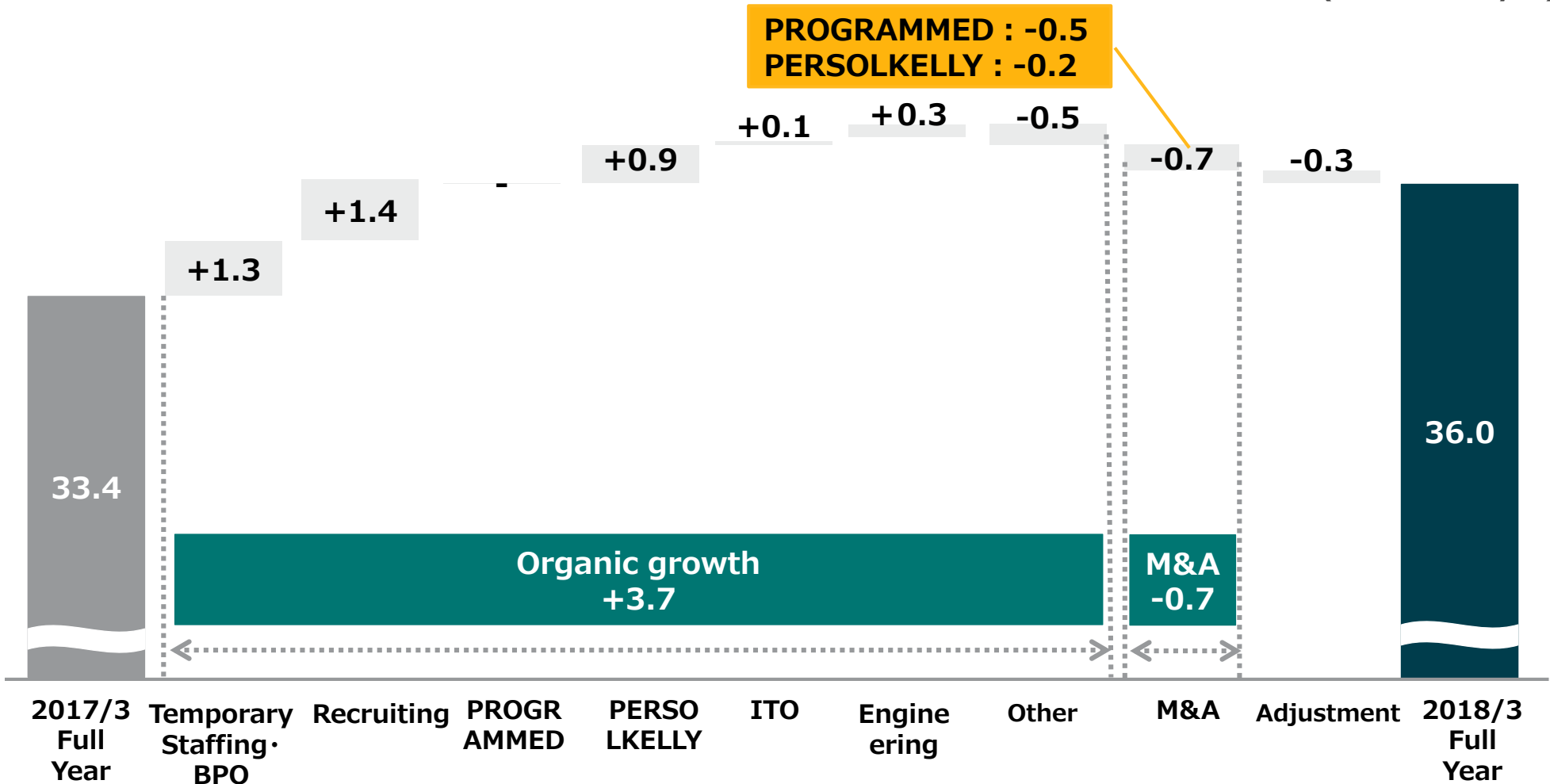
(Unit: billion yen)



2017/3 : OP income Analysis

While Temporary Staffing·BPO and Recruiting business had organic growth, M&A contribution was negative due to 0.8 billion yen acquisition costs of PROGRAMMED. As a result, OP income grew +2.6 billion yen

(Unit: billion yen)



2018/3 : Consolidated Balance Sheets

	As of March 31,2017	As of March 31,2018		
	Results	Results	Change	
Asset	268.3	403.4	135.1	Increase in cash and deposit, trade receivable due to an increase in profit
Current assets	165.2	235.4	70.2	
Non-current assets	103.1	167.9	64.8	Increase in amortization due to M&A
Liabilities	114.5	243.4	128.9	Increase in short-term loans payable and unpaid consumption tax etc.
Current liabilities	87.9	217.1	129.1	
Non-current liabilities	26.6	26.3	-0.2	Decrease in long-term loans payable
Net assets	153.8	159.9	6.1	Increase due to an increase in profit
Owner's capital	139.1	145.5	6.4	Decrease due to the purchase of treasury shares
Minority interests	14.6	14.4	-0.2	

2018/3 : Consolidated Statements of Cash Flows

(Unit: billion yen)

	2017/3 Full Year Results	2018/3 Full Year Results	Change
Cash flows from operating activities	39.6	35.0	-4.6
Cash flows from investing activities	-9.7	-66.7	-57.0
Cash flows from financing activities	-11.6	50.1	61.8
Increase (decrease) in cash and cash Equivalents	18.2	20.1	1.9
Cash and cash equivalents at end of period	69.3	89.5	20.1

<Payments for corporate income tax etc. >
 L 2017/3 : -11.5
 L 2017/3 : -18.7

<Purchase of investments in subsidiaries>
 L 2017/3 : -2.5
 L 2018/3 : -61.8

<Increase (decrease) in short-term loans payable>
 L 2017/3 : -0.2
 L 2018/3 : 69.3

2018/3 : Dividend

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.

	2017/3		2018/3	
	Interim	Year-end	Interim	Year-end
Dividend per Share	8 yen	9 yen	9 yen	10 yen
Dividend Ratio (Consolidated)	22.4%		57.1%	

2018/3 : Summary of Consolidated Business Results by Segments

(Unit: billion yen)	2018/3								
	Sales			EBITDA			OP income		
	Results	Achievement rate	YoY	Results	Achievement rate	YoY	Results	Achievement rate	YoY
Temporary Staffing/BPO	481.0	-4.3	+9.2%	25.5	-0.6	+7.5%	22.1	-0.5	+6.6%
Recruiting	72.8	-5.2	+10.1%	14.2	+1.1	+8.2%	10.8	+1.3	+15.5%
PROGRAMMED	54.5	-0.4	-	1.0	0	-	-0.5	0	-
PERSOLKELLY	65.7	+2.6	+77.3%	1.0	0	+238.3%	-0.1	0	+356.7%
ITO	28.9	-0.4	+8.8%	2.9	0	+6.7%	2.2	-0.1	+8.0%
Engineering	27.7	-0.3	+4.2%	2.9	0.1	+17.5%	2.3	+0.1	+19.5%
Other	4.3	0	-35.8%	-0.2	0.1	-204.5%	-0.3	-0.1	-270.9%
Adjustment	-13.1	-2.0	-	0.3	0.7	-	-0.4	-0.5	-
TOTAL	722.1	-10.1	+22.0%	48.0	0.4	+10.6%	36.0	0	+8.0%

Q4 Accounts for FY Ended March 2018: Impairment Loss Associated with the "an" job advertising business

New management will operate under new structures from April 2018
A new business plan is currently being formulated, and the plan is to give an explanation about this in Q2 of FY ending March 2019.

【Applicable Businesses】
"an"
business

Sequence of events relating to the impairment loss

- Delays in offering services centered on the WEB, promotional investments were not increased which led to decrease in competitiveness.
- The transition from hard-copy to WEB based services was completed in August 2017.
- Time was needed to formulate new business plans, so the full amount was booked as an impairment loss.

【Impairment loss amount】

8,619
Million yen

From now on

- New management will operate under new structures from April.
- New business plans are currently being formulated.
- The intention is to give an explanation of the business plan timed with the Q2 accounts presentation for the FY ending March 2019.
- Income and expenditures of this period are anticipated to be similar to the previous period.

Q3 Accounts for FY Ended March 2018:

Impairment Loss Associated with the Overseas Business

The impairment loss was booked due to: temporary disorder associated with integrations, active up-front investment, inability to absorb the cost burden associated with HQ expansion.

Target company	Impairment loss amount (JPY million)	Sequence of events relating to the impairment loss:	Present status
Capita (Singapore)	3,793	<ul style="list-style-type: none"> Temporary disorder was associated with the rapid integration and separation of capable consultants. Stagnation in the Singapore market. 	<ul style="list-style-type: none"> Recovery trend in the Singapore market. Time is needed for the business to recover and catch-up with the initial business plan.
First Alliances (Vietnam)	412	<ul style="list-style-type: none"> Consultant headcount will be increased, the office will be proactively expanded, and up-front investments will take place. Up-front investments could not be absorbed due to delays in bolstering consultant resources. 	<ul style="list-style-type: none"> Progress is being made with bolstering the consultant team strength. Growth is anticipated to exceed the initial business plans in the FY ending March 2019.
KELLY SG (Singapore)	812	<ul style="list-style-type: none"> HQ functions will be expanded to strengthen the governance. 	<ul style="list-style-type: none"> Both firms are continuing to operate in the black despite growth in head office costs.
KELLY INDIA (India)	634	<ul style="list-style-type: none"> The business is doing well, but cost burden could not be absorbed, and initial targets were not achieved. 	<ul style="list-style-type: none"> Up front investments will be recovered in future.
Total	5,653		

Part2 : Revision of Mid-term Management Strategy

Review of the Medium-term Management Plan (Quantitative)

Compared to previous Medium-term Management Plans, targets values in the Medium-term Management Plan were revised again to take into account the following influences: ① PROGRAMMED Ltd. is a new consolidation, ② Amortization costs of goodwill declined due to impairment losses, ③ Investments in systems declined in relation to initial assumptions leading to a decline in depreciation cost.

(Units: billion yen)	Previously (FY ending Mar 2020)			This time (FY ending Mar 2020)
		PROGRAMMED	Other	
Sales	750.0	+230.0	-	980.0
EBITDA	60.0	+7.0	-4.0	63.0
EBITDA Margin	8.0%	-	-	6.4%
Operating Profit	45.0	+1.5	+1.5	48.0
Operating Profit ratio	6.0%	-	-	4.9%

※ Assumed forex rate: USD1=JPY 105.0, AUD1=JPY 82.5

Current Medium-term Management Plan Strategy × Strategic Policy

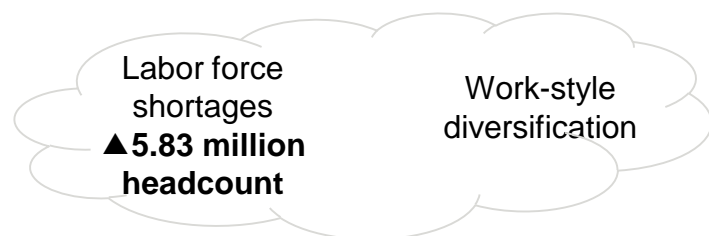
The Medium-term Management Plan strategy will be continued, and the following strategic policies will be pursued with each strategy:

	Group Medium-term Management Plan (Same as the previous Medium-term Management Plan)	Strategic Policy
Strategy 1	Enhancing Awareness of the PERSOL Group	Continually strengthen the service brand, and invest in entrenching the PERSOL brand.
Strategy 2	Investing in IT Systems and Enhancing Productivity for Further Business Growth	Improve productivity by means of the core temp business "GENESIS" HRIS system.
Strategy 3	Creating Group Synergies and Promoting Group Management	Expand cooperative synergies across the Group. Move forward with mergers of subsidiaries within the Temp/BPO Segment.
Strategy 4	Enhancing Our Presence in the Asia-Pacific Region	Accelerate organic growth ,progress Post Merger Integration (PMI), and improve profitability.
Strategy 5	Strengthening Business Platform and Expanding Service Domains through M&A	M&A strategy based on each separate "Market × Region", and advance into new business sectors.

Strategy 1: Strategic Policy — Continuous Investment in PERSOL Brand Entrenchment

The era of seeking the ability to provide services beyond a particular business sector is at hand; there is a desire to entrench the PERSOL brand. Also, advertising effectiveness will be enhanced so the PERSOL brand and service brands will be continually strengthened.

Current Group Medium-term Management Plan Targets



Transition to an era where services extending over business sectors are sought

- As a corporate Group focused on “Creating a social infrastructure for people and organizations that catalyzes growth and innovation”, PERSOL is aware of its situation.
- As a Group with a reach that extends beyond particular business sectors, PERSOL is placed to offer optimal services/pricing solutions.

Changes to advertising methods

Previously

- Brand advertising took place along with changes in company names to reflect "PERSOL".
- On the other hand, advertising commenced with stand-alone development of the “PERSOL” brand, so the linkage with service brands was tenuous.

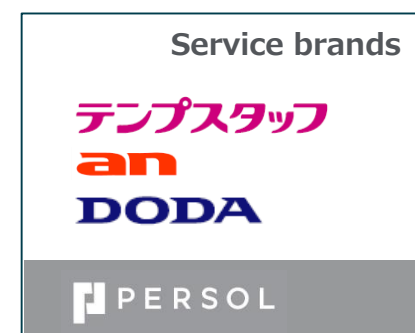


From now on...

- Brand advertising is at the further stage: Development of advertisements that convey visually recognizable relationship between "PERSOL" and service brands



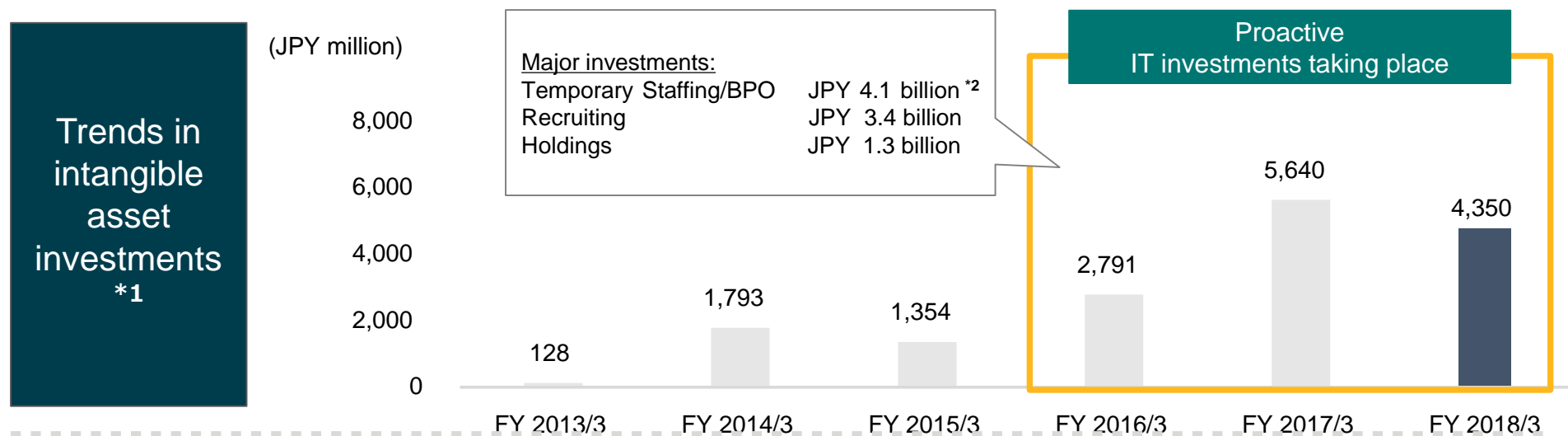
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※ Image commented on above

Strategy 2: Improving Productivity by Means of the Core Temp Business "GENESIS" HRIS System

Since FY March 2016 a priority has been placed on investments in IT systems, and growth investments have been accelerated. The core temp business "GENESIS" HRIS system is a large-scale investment of JPY 4.7 billion, and represents a further commitment by PERSOL to productivity enhancement.



Outline of Investments

Investment in the core temp business "GENESIS" HRIS system	Investment Amount	Approx. JPY 4.6 billion*2
	Transition Period	Sep 2017

Effect of Investments

Payback time	FY 2021/3	
Effect	① Improve Productivity	Job matching volume x1.7
	② Cost reduction	

- Productivity of coordinators (recruiters) enhanced due to improvement in searching function.
- Business efficiency by digitization of invoice
- Centralization of office work of the order input etc

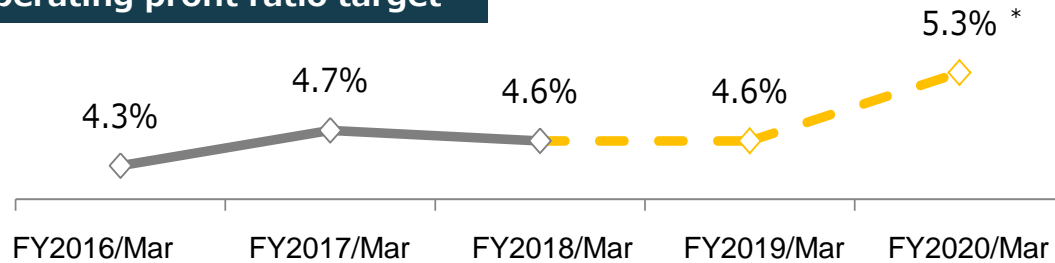
*1 : Reference: Consolidated statements of cash flows – "Purchase of intangible assets"

*2 : Figures are not equal due to the investment from other segments to "GENESIS"

Strategic Policy — Enhancing Profitability of the Temp/BPO Business

Mergers of **10** companies are planned for this FY. Productivity will be enhanced with the fully operational roll-out of the core temp business "GENESIS" HRIS system, and efficiencies will be reaped in relation to performance of support tasks. Aiming for an operating profit ratio of **5.3%** during the FY ending March 2020.

Operating profit ratio target



Market No.1

- : Client support No.1
- : Candidate preference No.1
- : User share No.1

Group Subsidiary Company Mergers	Unification of databases	<ul style="list-style-type: none"> Centralize information relating to "registered temp candidates" and "client firms" that has been managed independently by each subsidiaries up until now.
	Unify middle/back-office functions	<ul style="list-style-type: none"> In Temporary staffing business, 7 companies will be merged to PERSOL TEMPSTAFF. In BPO business 3 companies will be merged to 1.
GENESIS Fully operational roll-out	Enhance resource/need matching accuracy & speed	<ul style="list-style-type: none"> Increase speed by enhancing candidate searching function.
Law amendment	Actively work on indefinite-term employment	<ul style="list-style-type: none"> In accordance with amendment of Labor Contract Act and Worker Dispatch Act, the Group will actively work on converting temp staffs to indefinite-term employees, and improving labor conditions by passing prices through to clients.

* : Temporary staffing/BPO business's pure profitability excluding PMI costs etc

Strategy 3: Strategic Policy — Expanding Group Synergies

Deepening linkages in the Group, trend towards expanding results from cooperation within the Group

Results from cooperation within the Group

Linkages within the Group are deepening. On average annual sales are up by 130%.

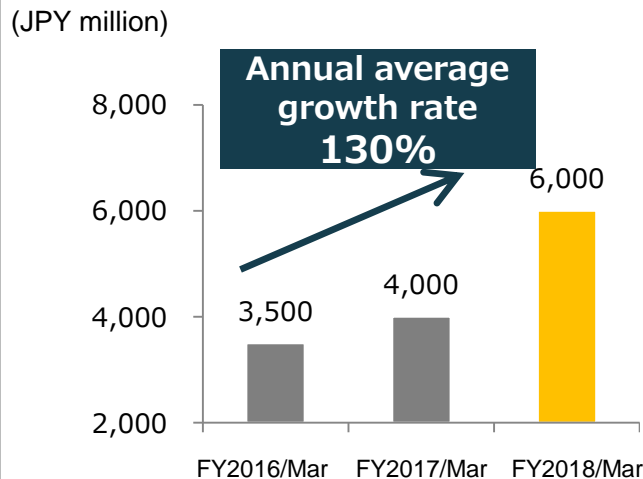
Number of companies using multiple services

Be it temp labor, placement services, or BPO etc.
The number of client firms using multiple services is steadily increasing.

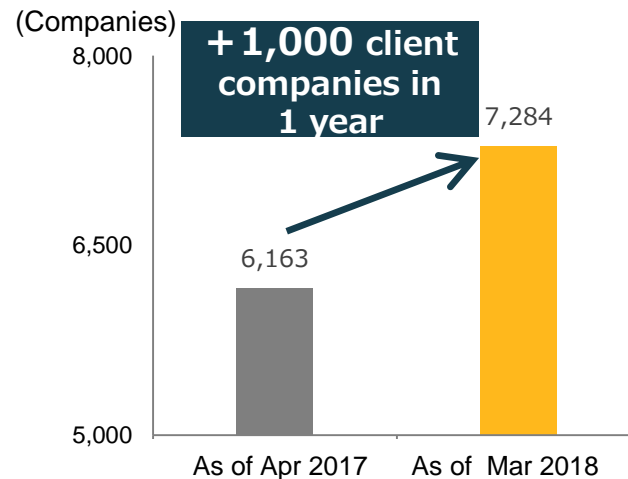
TEMPSTAFF × DODA

Number of TEMPSTAFF branches Japan-wide that utilized job change support has increased.

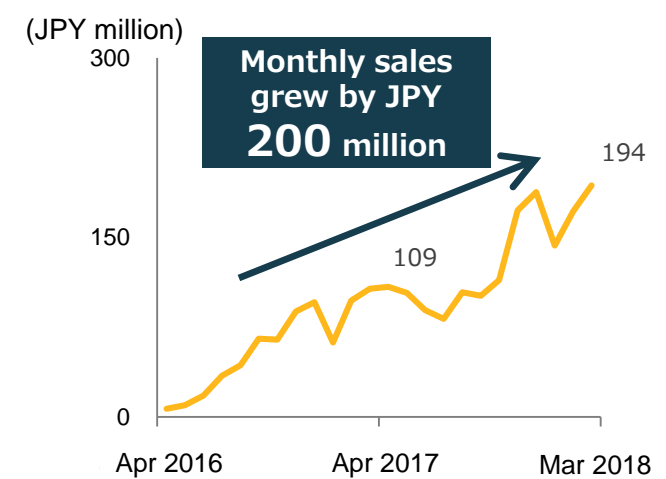
Sales trends due to opportunities introduced from within the Group:



Trend of number of companies using multiple services:



Job-change support sales trends due to intra-Group cooperative effort:

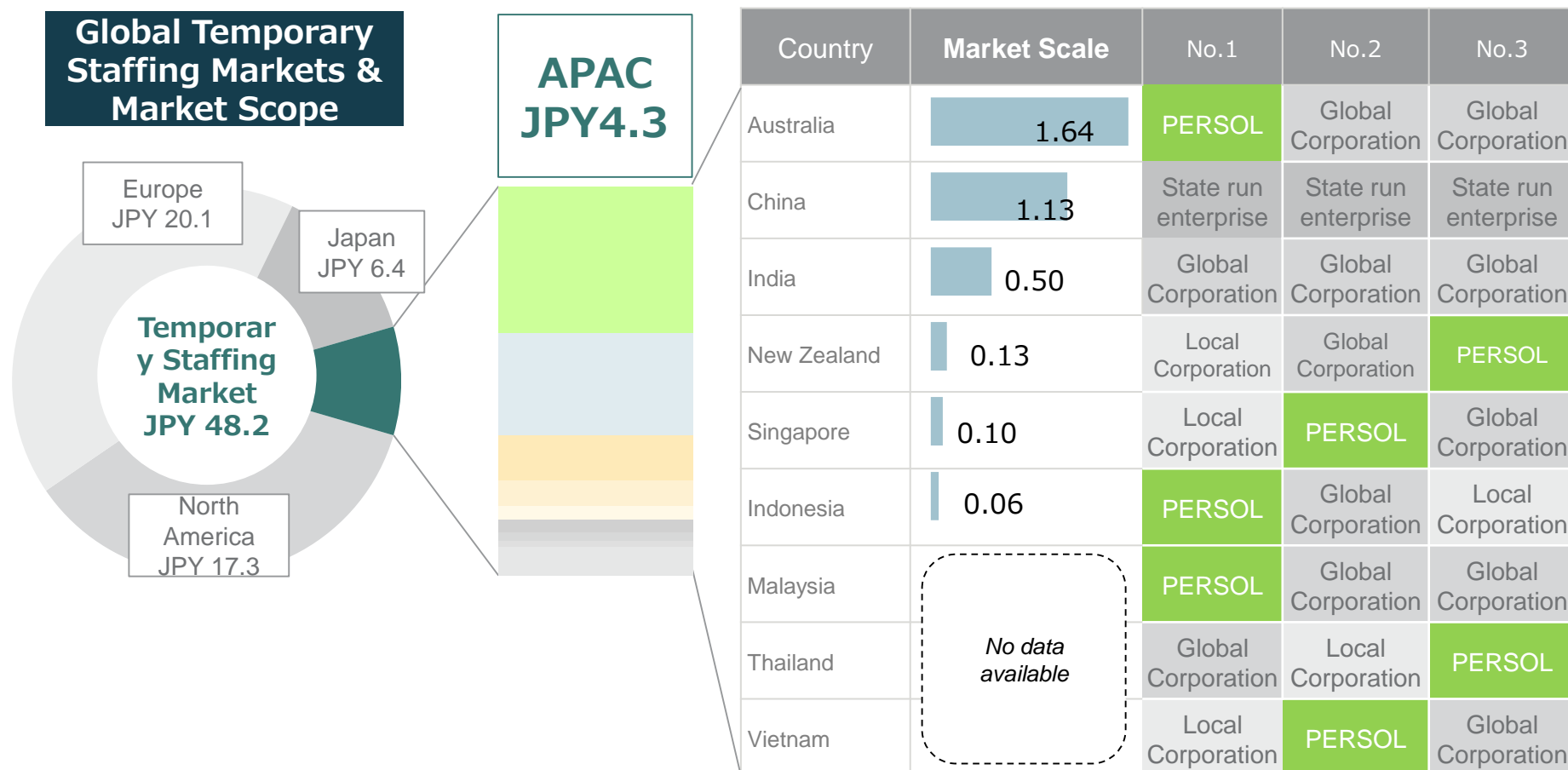


Strategy 4: Enhancing PERSOL's Presence in the Asia-Pacific Region

Top 3 position has already been secured in various key markets (other than China and India).

In future, we will expand our share and aim at Top 2 position in the market

(Unit: trillion yen)



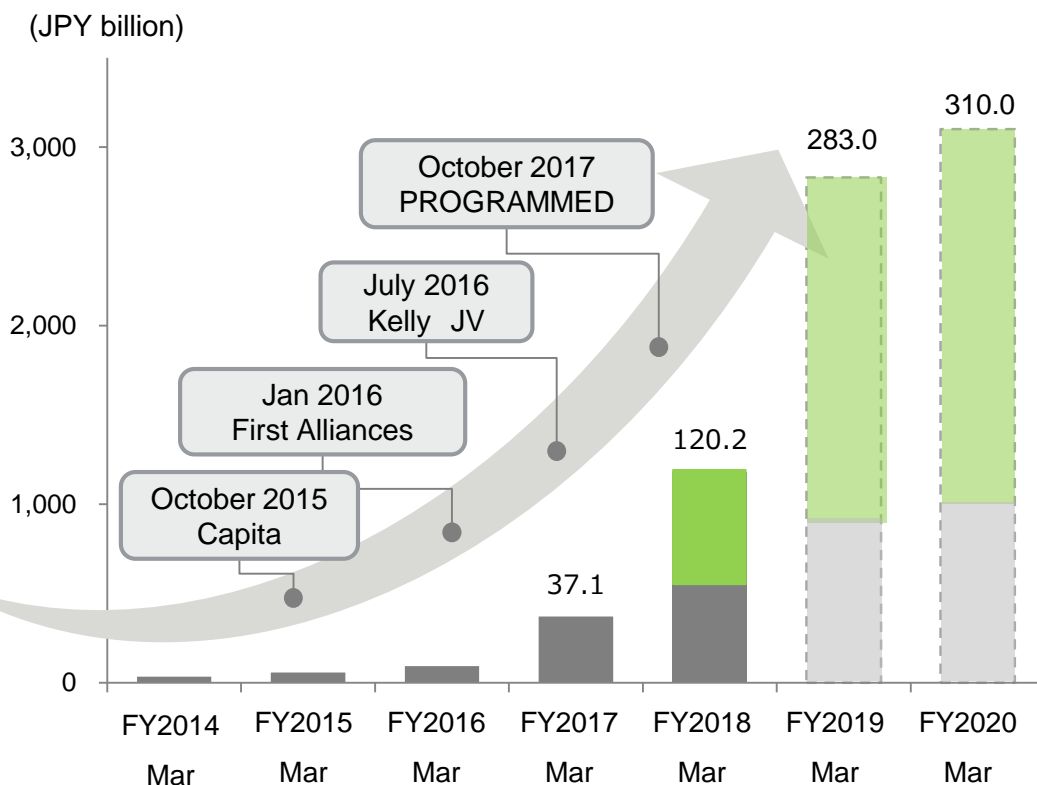
Strategy 4: Enhancing PERSOL's Presence in the Asia-Pacific Region - Middle Ranking

Active quantitative expansion completed by means of M&As.

For the moment, the intention is to solidify the revenue base through an acceleration of organic growth and progressing Post Merger Integration (PMI) activity.

Strategy for the overall overseas business will be formulated by the time of the next Medium-term Management Plan.

Overseas sales trends



JPY 81 billion of investments in M&As.

For the time-being, active quantitative expansion has been completed.

Review

Accelerate organic growth & focus on progressing PMI in the next Medium-term Management Plan.

FY March 2020 numerical targets:

Sales: JPY 310 billion

EBITDA Margin: 3.0%

※ Assumed forex rate for FY2020/3:
USD1=JPY 105.0, AUD1=JPY82.5

Strategy 5: Strategic Plan — M&A Strategy for Each Separate "Market×Region"

Profitability improvement will be seen in overseas businesses as Post Merger Integration (PMI) progresses. Business sectors that already exist in domestic Japan will be actively reviewed (as has been the case to date). Proactive investments will proceed into new business sectors.

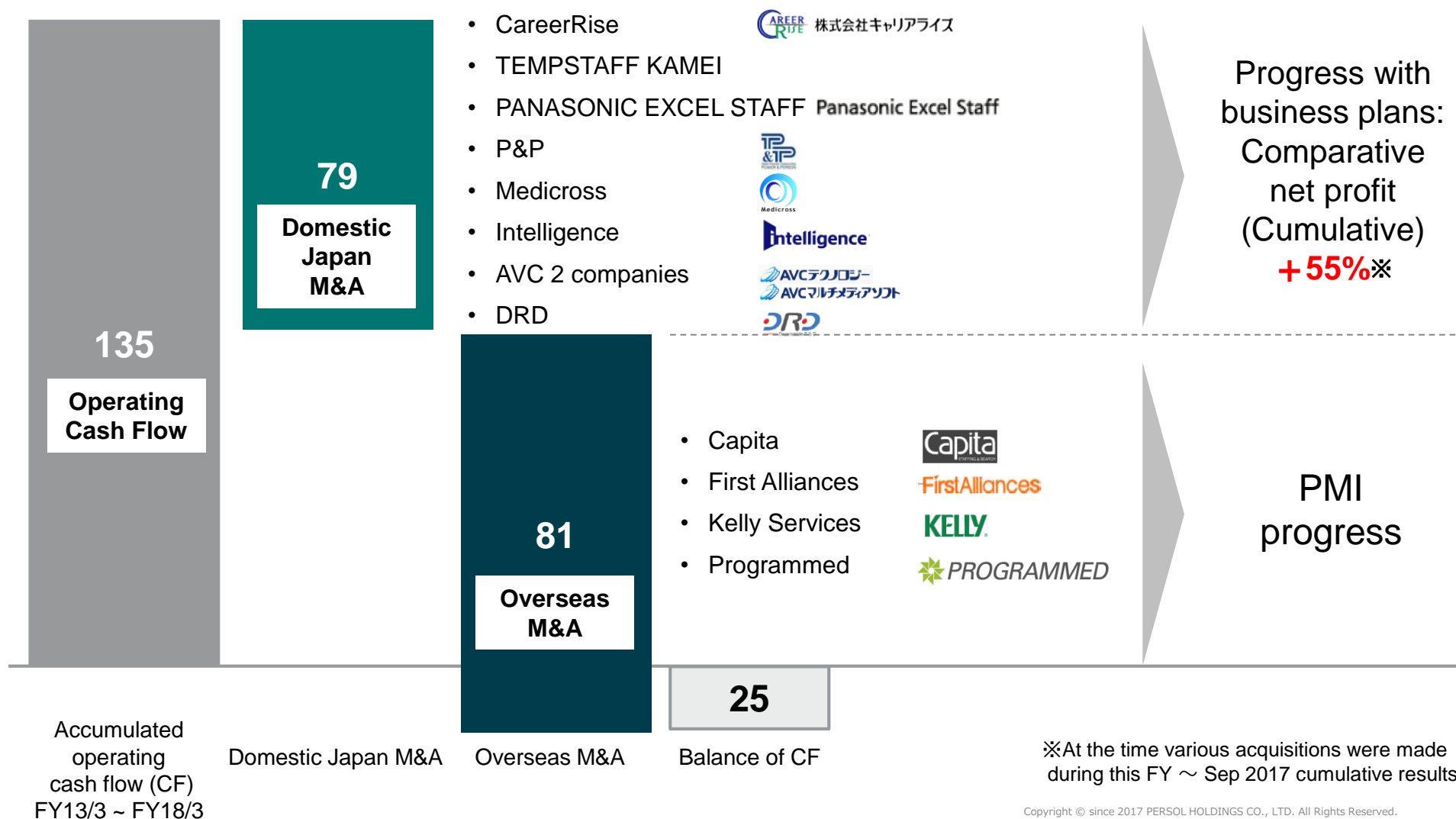
	Existing Business Sectors	New Business Sectors*
Domestic Japan	<ul style="list-style-type: none"> Proactive consideration & reviews will be made as has been done to date. 	<ul style="list-style-type: none"> Up until now the PERSOL Innovation Fund has handled both the investigation/investing activity. A "Group Innovation Promotion Division" will be set-up to accelerate open innovation from the point of view of the overall Group Alliances will be formed with firms outside the Group, and M&A opportunities will be actively pursued.
Overseas	<ul style="list-style-type: none"> For the time-being, active quantitative expansion completed by means of M&As. The PERSOLKELLY Segment, and PROGRAMMED Segment are currently both undergoing Post Merger Integration (PMI). 	

*: PERSOL Group for its part anticipates that firms eligible for M&As are those opportunities that generate new business, and firms that upgrade the services of existing Group businesses.

M&A Performance

Operating cash flow (CF) proactively used for M&A investments.

Since 2013, operating cash flow (CF) of JPY 135 billion (cumulative) has been used, and JPY 160 billion of M&A's carried out.



Part3 :
Forecast for the Fiscal Year Ending
March 31, 2019

Forecast for the Fiscal Year Ending March 31, 2019

(Unit: billion yen)	2018/3	2019/3	
	Results	Forecasts	YoY
Sales	722.1	940.0	+30.2%
Overseas sales ratio	16.6%	30.1%	+13.5%
EBITDA	48.0	56.5	+17.6%
EBITDA margin	6.7%	6.0%	-0.7%
Operating income	36.0	42.5	+17.8%
Operating income margin	5.0%	4.5%	-0.5%
Profit attributable to owners of parent	7.7	21.8	+180.6%

※ Assumed forex rate for FY2019/3:
USD1=JPY 105, AUD1=JPY 80.0

Forecast for the Fiscal Year Ending March 31, 2019

(Unit: billion yen)	Sales			EBITDA			OP income		
	2018/3	2019/3		2018/3	2019/3		2018/3	2019/3	
	Results	Forecasts	YoY	Results	Forecasts	YoY	Results	Forecasts	YoY
Temporary Staffing/BPO	481.0	520.0	+8.1%	25.5	27.7	+8.2%	22.1	23.9	+8.0%
Recruiting	72.8	84.0	+15.3%	14.2	16.9	+18.4%	10.8	14.3	+32.3%
PROGRAMMED	54.5	215.0	+294.4%	1.0	6.5	+516.7%	-0.5	1.1	+216.6%
PERSOLKELLY	65.7	68.0	+3.4%	1.0	1.2	+9.6%	-0.1	0.7	+368.1%
ITO	28.9	33.0	+13.8%	2.9	2.1	-28.3%	2.2	1.5	-33.7%
Engineering	27.7	30.0	+7.9%	2.9	3.1	+3.9%	2.3	2.7	+14.1%
Other	4.3	5.0	+15.2%	-0.2	-0.2	+27.2%	-0.3	-0.2	+29.0%
Adjustment	-13.1	-15.0	-	0.3	-0.8	-	-0.4	-1.4	-
TOTAL	722.1	940.0	+30.2%	48.0	56.5	+17.6%	36.0	42.5	+17.8%

Temporary Staffing/BPO Segment

Performance has improved due to favorable conditions in the domestic Japan market, and expansion of market share is being pursued.

Forecast Results

(Unit: billion yen)	FY 18/3	FY 19/3	
	Results	Forecast	YoY
Sales	481.0	520.0	+8.1%
EBITDA	25.5	27.7	+8.2%
EBITDA Margin	5.3%	5.3%	0.0%
Operating Profit	22.1	23.9	+8.0%
Operating Profit ratio	4.6%	4.6%	0.0%

External Environment

Market Trends

- Continued tight supply & demand conditions due to labor force shortages.
- Oligopolization of the Japan temp labor market.

Competitive Trends

- Increase in advertising costs of each firm to secure superior talent.
- Decline of mid/small sized temp vendor firms.

Legal Reforms etc.

- Revisions to Japan's Labor Contracts Act, and Dispatch (`Temp`) Act are being addressed in earnest.

Strategic Policy	No.	Policy Measure	Overview
	1	Improvement of productivity	Supply efficiencies achieved by maximizing use of GENESIS to improve tasks when matching talent/needs.
	2	Open ended hire arrangements/direct hires/skill-development temp arrangements	Provide new services, appropriately handle the various labor laws.

Temp/BPO Segment (Impact of Revised Laws)

For the coming year, open-ended labor arrangements will come into effect in Japan when all contracts are renewed; an expected 20,000 headcount (approx.).

From April onwards, open-ended labor arrangements are being sequentially put in place. From October onwards, conversion to open-ended labor arrangements will occur in line with revisions to Worker Dispatch Act.

Laws	Details	FY ending Mar 2019		Temporary staff expected to be subject to legal reforms: *2	Current situation (as at 20 Apr 2018)		
		First Half	Second Half		Number of headcount notified of their right to apply for conversion to open-ended arrangements	Actual number of headcount converting to open-ended arrangements	Ratio (%)
Japan's Labor Contract Law	<u>Applications to convert to open-ended arrangements</u> <ul style="list-style-type: none">When fixed-term labor contracts run in total for over 5 years, depending on an application by the worker, it is possible to convert to a labor contract of no stipulated time period.	Commence April		Approx. 20,000 headcount	Applications from workers to convert to open-ended arrangements will be handled sequentially. Approx. 10,000 headcount 435 headcount* 4.3%		
					*PERSOL TEMPSTAFF only Total group number is in the aggregate		
Japan's Worker Dispatch ('Temp') Act	<u>Carrying out employment stability measures*1</u> <ul style="list-style-type: none">Temp labor vendor firms are required to implement employment stability measures for temporary worker headcount expected to be deployed continuously in the same organizational unit for a 3 year period	—	Commence Oct		(From October onwards)		
"Same-work Same-pay"	<u>Reduce differences in treatment between permanent/non-regular employees</u> <ul style="list-style-type: none">Irrespective of the employment format, in cases where it is deemed that the same work is being performed, the "same pay" obligation arises.	—		Scheduled to be revised after 2021 (Impact etc. will be validated during the legislation process.)			

^{*1} : Requests from temp client firms to make direct hires, placements at new temp clients, temp vendor open-ended labor arrangements etc.

^{*2} : From April 2018 onwards, number of temp workers where it is anticipated open-ended arrangements will arise in the following 1 year period. Copyright © since 2017 PERSOL HOLDINGS CO., LTD. All Rights Reserved.

Recruiting Segment

Strengthen investments in labor resources/marketing given the favorable environment and steady market.

Forecast Results

(Unit: billion yen)	FY 18/3	FY 19/3	
	Results	Forecast	YoY
Sales	72.8	84.0	+15.3%
EBITDA	14.2	16.9	+18.4%
EBITDA Margin	19.6%	20.1%	+0.5%
Operating Profit	10.8	14.3	+32.3%
Operating Profit ratio	14.8%	17.0%	+2.2%

External Environment

Market trends

- Unemployment rates in Japan are maintaining their low historical levels due to structural labor shortages, while the effective hiring ratio (times) is at high levels.
- Psychological reluctance to changing jobs is diminishing in Japan, and mobility of talent is improving.

Competitive Trends

- Performance of each company is growing based on the steady market environment.

Strategic Policy	No.	Policy Measure	Overview
	1	Become No.1 in the youth placement sector	Must become No.1 job support provider in the high-volume youth cohort market sector. Aim for highest growth-rate in the industry, strengthen investment into labor resources/marketing.
	2	Strengthen PERSOL's presence in the media	Make investments into marketing together with creating appealing www sites; aim to solidify the job-change media business.

PROGRAMMED Segment

Based on the favorable market environment together with existing client contracts, proceed to open-up developing markets.

Forecast Results

(Unit: billion yen)	FY 18/3	FY 19/3	
	Results	Forecast	YoY
Sales	54.5	215.0	+294.4%
EBITDA	1.0	6.5	+516.7%
EBITDA Margin	1.9%	3.0%	+1.1%
Operating Profit	-0.5	1.1	+216.6%
Operating Profit ratio	-0.9%	0.5%	+1.4%

External Environment

Market trends

- Growth is anticipated in key industrial sectors.
- Strengthening of infrastructure facilities in line with population growth.
- Decline in margin/contract roll-over ratios due to an excess of competition.

Australian GDP

- 2018 annual Australian GDP growth rate is a solid 2.4%

Strategic Policy

No.	Policy Measure	Overview
1	Staffing	Rising staff matching ratio
	2	Improvement in professional sector matching
1	Maintenance	Securing new clients
	2	Collaboration/Cross-selling
1	Health-care	Strategy for the direct-care market where growth is anticipated.

Matching ratios are anticipated to rise due to process & systems improvements.

Sales/margin growth is anticipated for highly skilled talent in the professional sector.

New centers/clients are being proactively approached with growth in investments in construction etc. infrastructure as a backdrop.

Business collaboration is becoming more active across services.

The market for temp nurses (BtoB) is plateauing out, so investments are being actively made in growth areas such as the direct-care market (BtoC).

PERSOLKELLY Segment

Merger various organizations/systems, and endeavor to establish corporate governance structures; all while aiming to secure market share in the region.

Forecast Results

(Unit: billion yen)	FY 18/3	FY 19/3	
	Results	Forecast	YoY
Sales	65.7	68.0	+3.4%
EBITDA	1.0	1.2	+9.6%
EBITDA Margin	1.7%	1.8%	+0.1%
Operating Profit	-0.1	0.7	+368.1%
Operating Profit ratio	-0.3%	1.0%	+1.3%

External Environment

Market trends

- Rapid growth in real GDP is predicted for the entire APAC region
- Together with continued growth in temps and placement sectors, there is an abundant supply and demand of a rich variety of talent.

Client trends

- Continues to be a global center for production/consumption and multinational firms remain very interested.
- Together with increased sophistication of local economies, demand for talent from small/medium sized firms is on the increase.

Strategic Policy	No	Policy Measure	Overview
	1	SG,MY: Cling to top-level market share IN,VN: Aim for top-level market share	Placement business is stronger due to optimal deployment of talent & improved productivity. Also, the temp business is becoming stronger due to relationships built with major clients.
	2	Core systems	Endeavors to improve productivity through implementation/operation of core systems in multiple countries.
	3	Establish corporate governance systems	Strengthen governance & compliance structures, incorporate handling of JSOX requirements, effectively operate the Regional HQ (RHQ) which takes the lead in PERSOLKELLY growth.

*: SG Singapore, MY Malaysia, IN India, VN Vietnam

ITO Segment

Secure talented engineers by investing in talent.
The key to growth is a shift to a high revenue model.

Forecast Results

(Unit: billion yen)	FY 18/3	FY 19/3	
	Results	Forecast	YoY
Sales	28.9	33.0	+13.8%
EBITDA	2.9	2.1	-28.3%
EBITDA Margin	10.1%	6.4%	-3.7%
Operating Profit	2.2	1.5	-33.7%
Operating Profit ratio	7.8%	4.5%	-3.3%

External Environment

Market trends

- The desire by corporations to make investments into IT remains strong.
- The struggle by all companies to secure talented engineers is intensifying.

Competitive Trends

- Preferences for external outsourcing & in-house production is becoming clearer.

Strategic Policy	No.	Policy measure	Overview
	1	Sales promotion of services/products produced in-house.	Strengthen the development of POS+ ^{*1} and in-house produced products handled by agents.
	2	RPA ^{*2} business Full scale roll-out	Fully establish RPA business structures.
	3	Raise employee remuneration levels.	One important theme amongst management challenges is performing a drastic review of employee remuneration levels.

^{*1} Cloud mobile POS system which supports management of stores for wide range of industries

^{*2} Robotic Process Automation

Engineering Segment

Sustained growth is anticipated given a backdrop of the domestic Japanese manufacturing industry increasing investments into developing new technologies.

Forecast Results

(Unit: billion yen)	FY 18/3	FY 19/3	
	Results	Forecast	YoY
Sales	27.7	30.0	+7.9%
EBITDA	2.9	3.1	+3.9%
EBITDA Margin	10.7%	10.3%	-0.4%
Operating Profit	2.3	2.7	+14.1%
Operating Profit ratio	8.5%	9.0%	+0.5%

External Environment

Market trends

- Automobile/electronics industries are both continuing to invest into developing new technologies such as the IoT/robotics etc.
- The market in domestic Japan for outsourced engineering services remains strong.

Competitive Trends

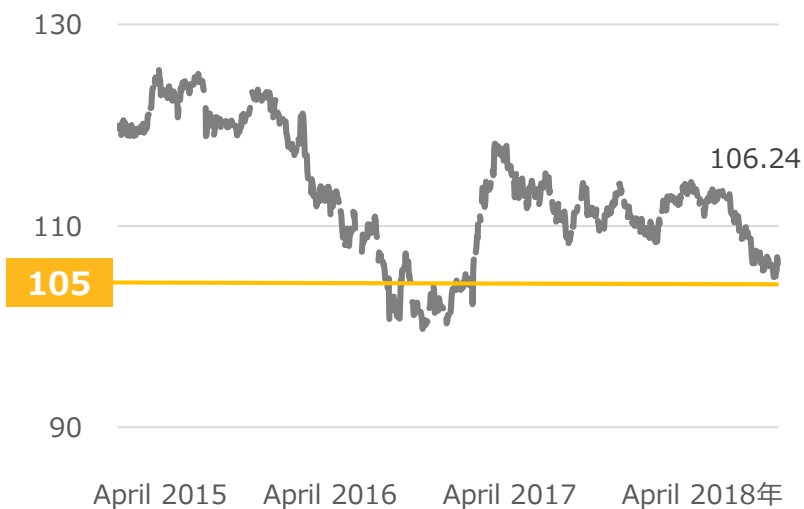
- Growth due to a backdrop of strengthening of M&A activity and hiring resulting in increased headcount numbers.

Strategic Policy	No.	Policy Measure	Overview
	1	Enhanced technical capabilities	Advances being made to obtain next-generation new technologies, and to accumulate/utilize technologies based on technical strategies.
	2	Strengthen the ability to develop & expand the talent-base	Actively continue to hire and reinforce deployments, and aim to expand structures that develop the nurturing of talent.

Expected impact of exchange rate

Trend of
exchange
rate

USD



approx. **±JPY 0.6 billion**

approx. **±JPY 10 million**

1USD=JPY105

AUD



approx. **±JPY 2.7 billion**

approx. **±JPY 60 million**

1AUD=JPY80

Sales
impact
(per JPY)

OP income
impact
(per JPY)

Assumed
rate for
FY2019/3

Incorporate structures that support diverse working styles.

Provide diverse working styles, and aim to be a growth partner that supports "work" across an individual's lifetime.



Employment creation relating to the employment of physically challenged individuals.

"Cloud based name-card management system".



Apply the experience & skills of senior/mature candidates to management support for small/medium sized companies via "i-common".



Provide a support service ("Mama Volunteer") to working mothers taking childcare leave to help overcome any doubts and develop self-confidence to re-enter the workforce.



"Job Share Centers" in workplace offices near to home where people can work for periods other than a full-time 5 day job.



Career training support activity tailored towards youth.
"CAMP"



Plans to operate a business to promote the spread of telecommuting etc.

Disclaimer

The statements concerning the Company's future business performances in this material such as earnings forecasts are based on information available as of May 17, 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.