



## **Fiscal Year Ended March 2018 Results Briefing Session: Q&A Summary**

May 17, 2018 (Thursday)  
PERSOL HOLDINGS CO., LTD.

Q: You say that in FY Mar 2020 you are aiming for operating profit in the Temporary Staffing/BPO Segment of 5.3%. How certain are you of achieving this?

A: In FY March 2019 we plan to absorb 8 subsidiaries in our temp business and 3 subsidiaries in the BPO business. This absorption will lead to a change-over in systems etc. and the cost of this absorption is anticipated to be JPY 2 billion. Without these costs, the Temporary Staffing/BPO Segment operating profit ratio in FY March 2019 would be 5.0%. As such, we believe an operating profit ratio in FY March 2020 of 5.3% is achievable.

Q: How much are you investing into brands, and any expansion from here on?

A: Together with changes to the company name in FY March 2018, JPY 2.5 billion was used for PERSOL brand advertising investments. According to results of research performed by survey companies into the degree of recognition of "PERSOL", we believe that awareness of the "PERSOL" entity is spreading to a certain degree. On the other hand, the level of awareness amongst individual customers is increasing according to plan however, we cannot yet say awareness levels are adequate. So we aim to further enhance awareness levels. For that reason, "PERSOL" brand advertising investments will also continue in FY March 2019. The anticipated amount of investment is JPY 3 billion. The approach to advertising will be an ongoing endeavor to evolve the service brands ("TEMPSTAFF", "an", "DODA" etc.) as well as the "PERSOL" brand.

Q: Group synergies; in concrete terms what sort of synergies are you trying to generate?

A: Synergies that enable PERSOL to handle overall hiring needs of client corporations on their behalf etc. Up until now some individual PERSOL Group companies could not handle each and every need of customers. To resolve this challenge, the aim is to leverage the integrated strengths of the Group. What will support this initiative is a change in the mind-set of PERSOL employees. By incorporating and setting in place structures that accelerate cooperative efforts within the Group, as one single PERSOL Group, we



will be able to cooperate and coordinate horizontally beyond the boundaries of any given individual Group company or Segment. We believe that in future, additional expansion of Group synergies is possible.

Q: What were the reasons for a slowdown of the growth rate in the Temporary Staffing/BPO Segment during Q4 of FY March 2018?

A: Compared to the same period last year, there were 2 less deployment days for temp employees etc. Accordingly, there was a slight decline in the sales growth rate.

Q: In concrete terms, what is your regional strategy for overseas Post Merger Integration (PMI). Also, what measures are you taking to improve margins?

A: Due to M&A activity in the overseas business, we have for the moment, completed our active quantitative expansion. PERSOL are now at the stage where we are focusing on PMI. We are currently proceeding with a sequential change-over of core systems in the PERSOLKELLY business, and incorporating productivity enhancements into work processes. With the PROGRAMMED Ltd. business, we are first and foremost deepening our understanding of the PROGRAMMED Ltd. business. We are also making preparations to generate future synergies.

Q: What progress is being made to handle revisions to Japanese laws relating to the transition to indefinite-term employment?

A: The transition to indefinite-term employment stemming from revisions to Japan's Labor Contracts Act means that if individuals with the right to become workers on indefinite-term employment so desire, they can become employees of PERSOL on indefinite-term employments. As at April 20, 2018, of the approximately 10,000 temporary employees with the right to become workers on indefinite-term employment, 435 headcounts have actually transitioned to indefinite-term employment. (PERSOL TEMPSTAFF figures only.) In future it is expected that temp workers in possession of the right to become workers on indefinite-term employment will want to sequentially convert over to indefinite-term employments. However, PERSOL is for its part, actively hiring those workers who so desire on indefinite-term employments.

Q: What impact will Robotic Process Automation (RPA) and technologies have on



PERSOL?

A: The PERSOL Group also provides RPA implementation support services, and BPO services that utilize RPA etc. PERSOL is actively incorporating the use of technologies into its business. In future as well, the use of technologies to resolve structural labor shortages will grow more and more. As such, PERSOL sees this as an opportunity to be grasped, and will proceed to develop the business accordingly.