Briefing on Consolidated Financial Results for the 1st Quarter Ended June 30, 2018

PERSOL HOLDINGS CO., LTD.
August 10, 2018

2019/3 1Q : Summary of Consolidated Business Results

PERSOL

Sales grew +39.6% due to the solid growth of existing business and M&A contribution, and recorded the highest sales ever in 1Q
Profit also grew substantially due to the growth of core business including temporary staffing and placement

(Unit: million yen)

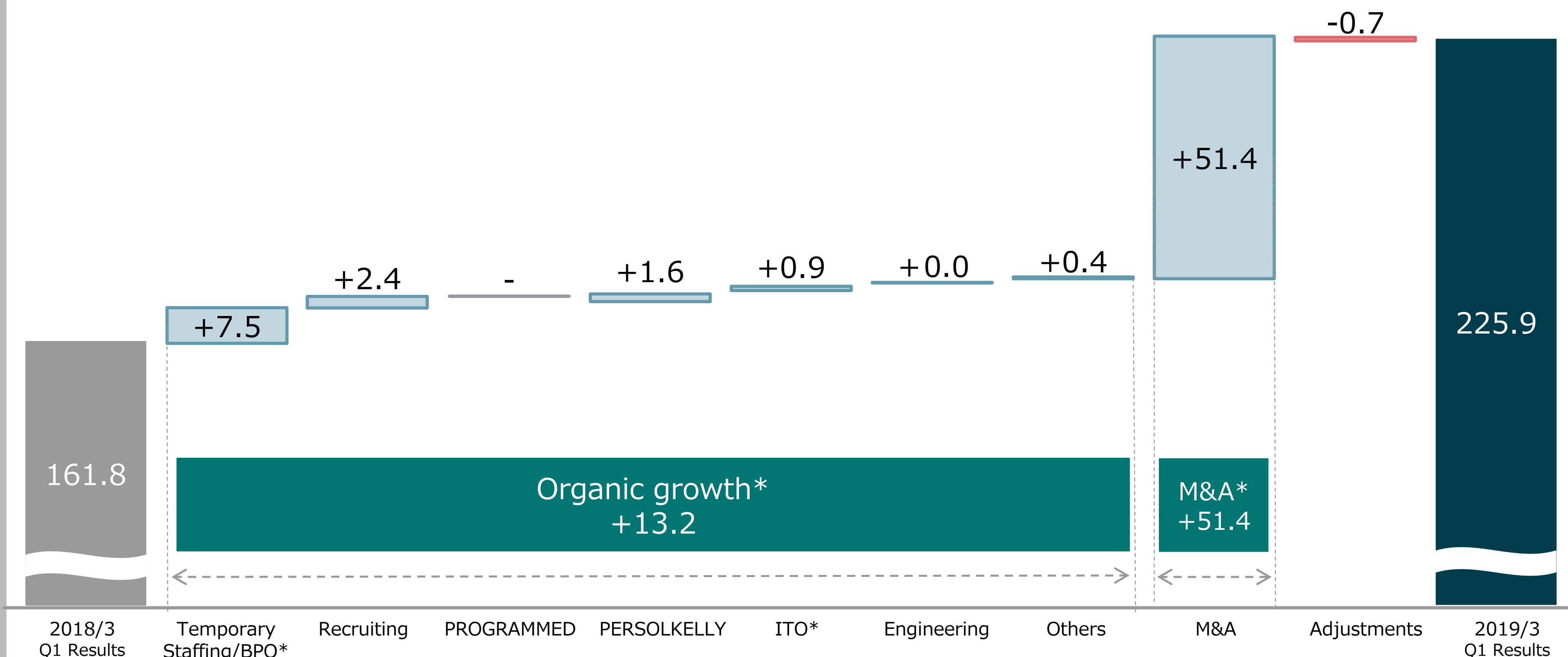
	2018/3 Results		2019/3 Results			2019/3 Forecasts		
	1Q	Ratio(%)	1Q	Ratio(%)	YoY(%)	Progress rate -1st half (%)	1st Half	Full Year
Sales	161,897	100.0	225,929	100.0	+39.6	49.5	456,000	940,000
Gross Profit	39,619	24.5	50,604	22.4	+27.7	-	-	-
EBITDA*	11,572	7.1	15,401	6.8	+33.1	62.9	24,500	56,500
OP income	9,114	5.6	11,530	5.1	+26.5	64.1	18,000	42,500
Profit attributable to owners of parent	5,425	3.4	6,631	2.9	+22.2	76.2	8,700	21,800

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

2019/3 1Q: Sales Analysis

Sales grew +39.6% due to the +8.2% organic growth from existing business and M&A contribution of PROGRAMMED

(Unit: billion yen)



*M&A targets(dates indicate consolidation as subsidiaries) :Programmed Maintenance Services Limited (January 2018)
*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)

2019/3 1Q: Sales by Segment

Sales grew in each segment due to the solid demand from clients

(Unit: million yen)

	2018/3	2019/3 Results		2019/3 Forecasts		
	1Q	1Q	YoY(%)	Progress rate - 1st half (%)	1st Half	Full Year
Temporary Staffing/BPO	117,397	124,940	+6.4	49.4	252,900	520,000
Recruiting	18,238	20,738	+13.7	51.0	40,700	84,000
PROGRAMMED	-	51,495	-	48.6	106,000	215,000
PERSOLKELLY	15,581	17,254	+10.7	54.1	31,900	68,000
ITO	6,182	7,181	+16.2	47.9	15,000	33,000
Engineering	6,368	6,439	+1.1	46.0	14,000	30,000
Others	935	1,418	+51.6	56.8	2,500	5,000
Adjustment	-2,806	-3,539	-	-	-7,000	-15,000
TOTAL	161,897	225,929	+39.6	49.5	456,000	940,000

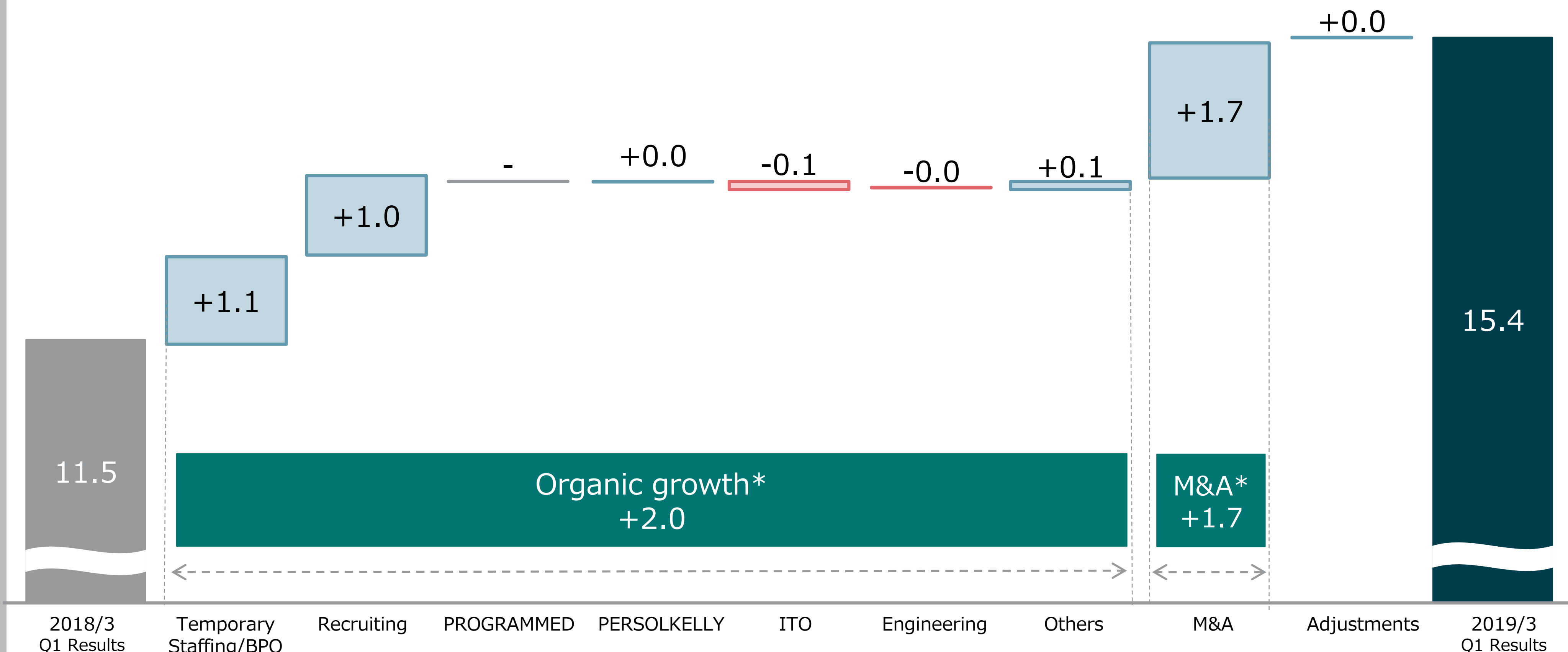
*PROGRAMMED : The financial closing date of Programmed is different from that of PERSOL for 3 months, and the Deemed Acquisition Date for Business Combinations is set as September 30, 2017. Therefore, the performances for the 3rd quarter are not included.

*Internal transactions have not been eliminated from the figures

2019/3 1Q: EBITDA Analysis

EBITDA grew +33.1% due to the +17.9% organic growth from existing business and M&A contribution of PROGRAMMED

(Unit: billion yen)



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2019/3 1Q: EBITDA by Segment

Core business including temporary staffing and placement led the EBITDA growth

(Unit: million yen)

	2018/3	2019/3 Results		2019/3 Forecasts		
	1Q	1Q	YoY(%)	Progress rate - 1st half (%)	1st Half	Full Year
Temporary Staffing/BPO	6,663	7,835	+17.6	63.7	12,300	27,700
Recruiting	3,889	4,915	+26.4	68.3	7,200	16,900
PROGRAMMED	-	1,752	-	56.5	3,100	6,500
PERSOLKELLY	104	106	+1.8	35.4	300	1,200
ITO	290	103	-64.5	14.7	700	2,100
Engineering	339	288	-14.9	25.1	1,150	3,100
Others	-9	101	+1,138.6	-	-200	-200
Adjustment	294	297	-	-	-50	-800
TOTAL	11,572	15,401	+33.1	62.9	24,500	56,500

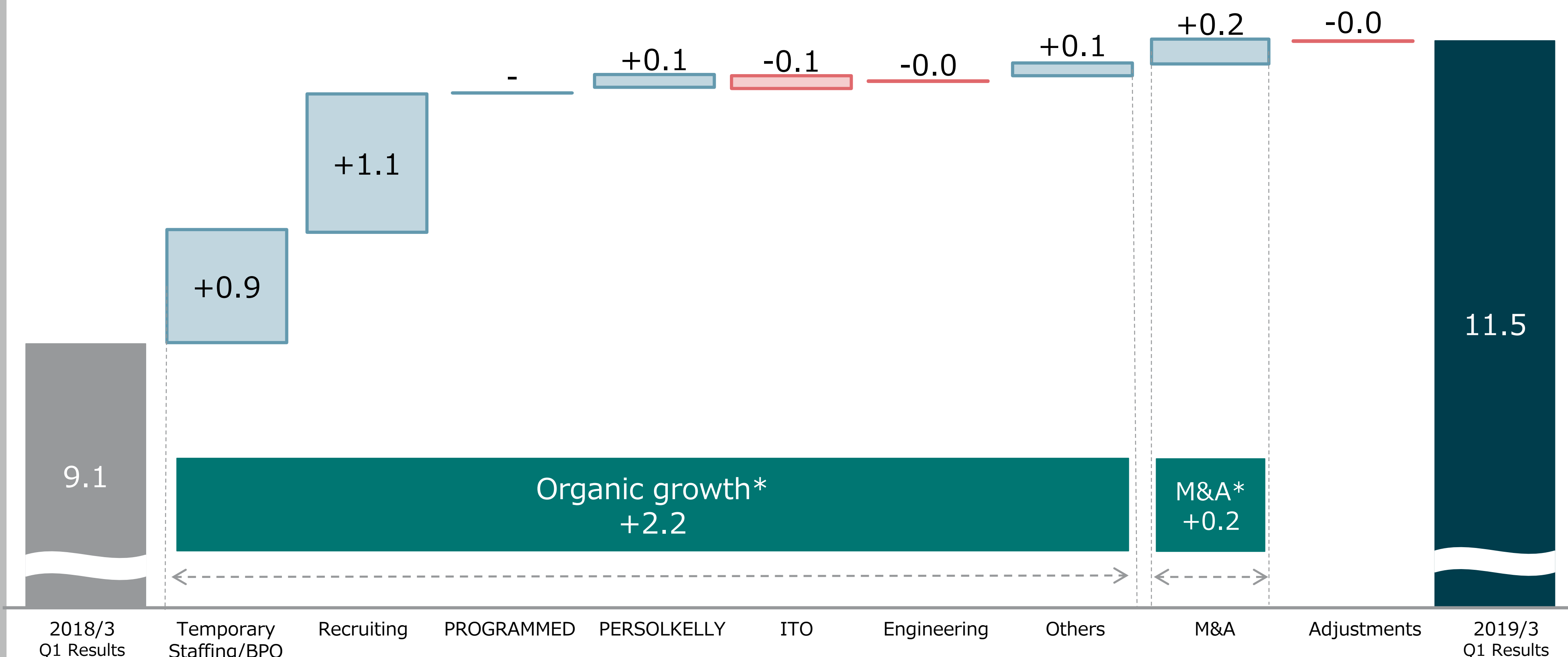
*PROGRAMMED : The financial closing date of Programmed is different from that of PERSOL for 3 months, and the Deemed Acquisition Date for Business Combinations is set as September 30, 2017. Therefore, the performances for the 3rd quarter are not included.

*Internal transactions have not been eliminated from the figures

2019/3 1Q: OP income Analysis

OP income grew +26.5% due to the +24.2% organic growth from existing business and M&A contribution of PROGRAMMED

(Unit: billion yen)



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

2019/3 1Q: OP income by Segment

Core business including temporary staffing and placement led the OP income growth

(Unit: million yen)

	2018/3	2019/3 Results		2019/3 Forecasts		
	1Q	1Q	YoY(%)	Progress rate - 1st half (%)	1st Half	Full Year
Temporary Staffing/BPO	5,927	6,897	+16.4	64.5	10,700	23,900
Recruiting	3,058	4,222	+38.0	69.2	6,100	14,300
PROGRAMMED	-	234	-	58.6	400	1,100
PERSOLKELLY	-261	-76	+243.9	-	0	700
ITO	116	-65	-156.1	-16.3	400	1,500
Engineering	191	146	-23.5	16.3	900	2,700
Others	-25	84	+427.2	-	-200	-250
Adjustment	107	87	-	-	-300	-1,450
TOTAL	9,114	11,530	+26.5	64.1	18,000	42,500

*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

2019/3 1Q: Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2018		As of June 30, 2018		
	Results	Ratio(%)	Results	Ratio(%)	Change
Assets	402,336	100.0	359,986	100.0	-42,349
Current assets	230,552	57.3	196,821	54.7	-33,731
(Cash and deposits)	89,624	22.3	60,153	16.7	-29,470
Non-current assets	171,783	42.7	163,165	45.3	-8,618
(Right of trademark and goodwill)	113,265	28.2	106,737	29.7	-6,527
Liabilities	242,343	60.2	201,700	56.0	-40,643
Current liabilities	217,102	54.0	136,487	37.9	-80,615
(Current portion of loans payable)	89,928	22.4	25,979	7.2	-63,949
Non-current liabilities	25,241	6.3	65,213	18.1	39,972
(Long-term loans payable)	15,713	3.9	35,713	9.9	20,000
(Bonds payable)	0	0.0	20,000	5.6	20,000
Net assets	159,992	39.8	158,286	44.0	-1,706
Owners' capital	145,537	36.2	144,299	40.1	-1,238
(Capital stock)	17,467	4.3	17,469	4.9	2
(Capital surplus)	20,182	5.0	20,185	5.6	2
(Legal retained earnings)	105,993	26.3	110,286	30.6	4,293
Minority interests	14,455	3.6	13,986	3.9	-468

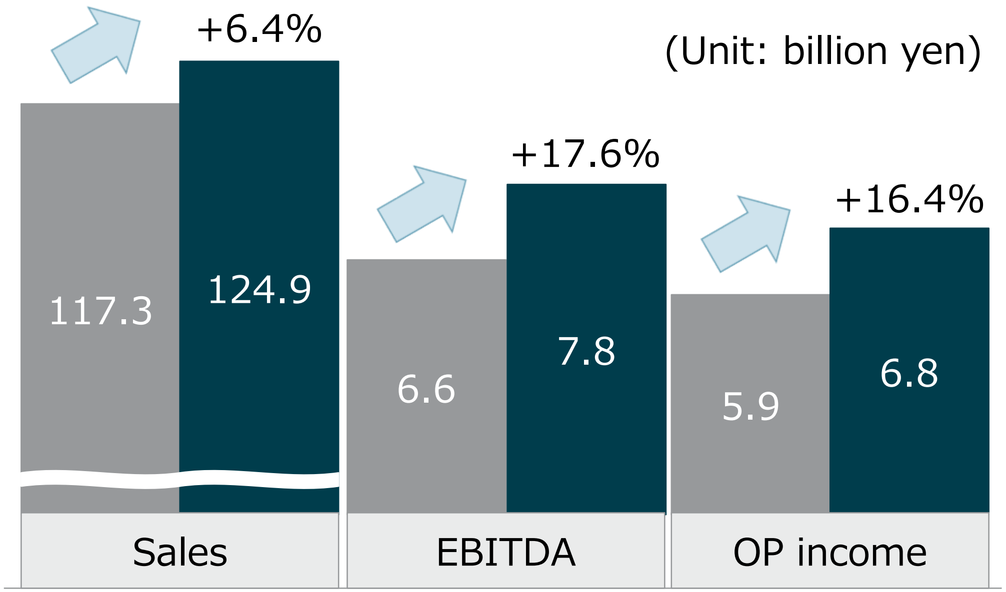
<Right of trademark & goodwill>
Decreased due to Depreciation, Foreign exchange

<Current assets, Current liabilities, Non-current liabilities>
Repayment of Short-term loans payable partially with Cash and refinanced for the remaining by Long-term loans payable and Bonds payable

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

* Partial revision of "Accounting standards pertaining to Tax Effective Accounting" have been applied since the beginning of FY2019 1st quarter. Figures of FY 2018 is also recalculated.

2019/3 1Q Transition of Business Results by Segments ① Temporary Staffing/BPO



2019/3 1Q : Highlights

- Demand for temporary staffing remains strong due to workforce shortage and Workstyle-reform
- Sales grew due to the strong demand while preparation for group subsidiary company's mergers and law change had some impact
- Profit grew due to the sales growth which exceeds the increase of costs such as social insurance premiums, etc.

(Unit: million yen)

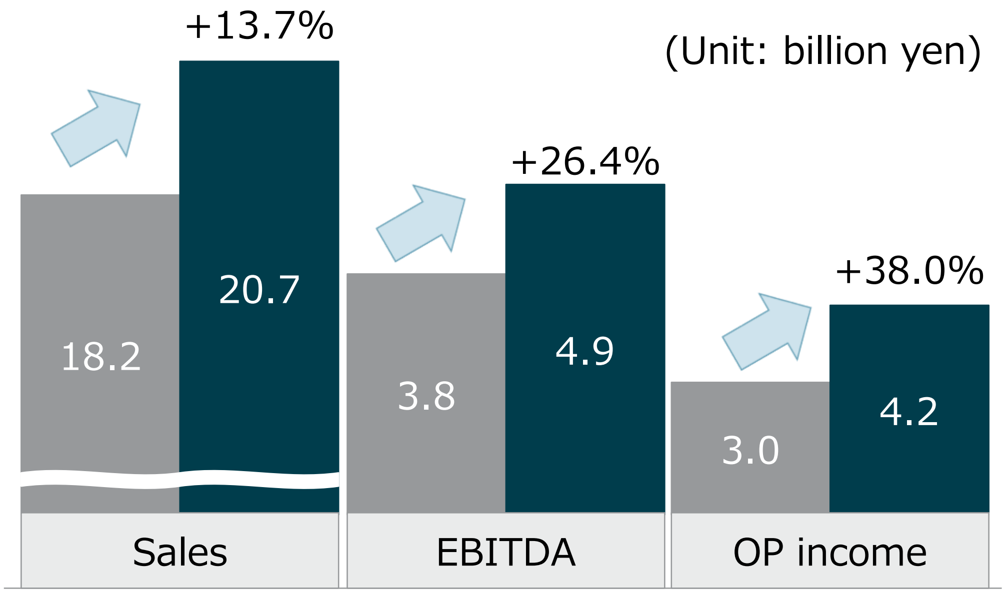
	2018/3	2019/3 Results		2019/3 Forecasts		
	1Q	1Q	YoY(%)	Progress rate - 1st half (%)	1st Half	Full Year
Sales	117,397	124,940	+6.4	49.4	252,900	520,000
EBITDA	6,663	7,835	+17.6	63.7	12,300	27,700
EBITDA margin (%)	5.7	6.3	-	-	4.9	5.3
OP income	5,927	6,897	+16.4	64.5	10,700	23,900
OP income ratio (%)	5.0	5.5	-	-	4.2	4.6

*Internal transactions have not been eliminated from the figures
*See the "Factbook for the First Quarter Ended June 30, 2018" released on the website on the same date for the quarterly results

2019/3 1Q Transition of Business Results by Segments ② Recruiting

PERSOL

(Unit: billion yen)



2019/3 1Q : Highlights

- Demand from client companies remained strong, placement business drove the growth
- High profit growth due to personnel reinforcement and promotional investment to meet the demands. The decrease of amortization due to the impairment loss of "an" on FY2018 4Q also contributed
- Placement number grew continuously from the collaboration within PERSOL group

(Unit: million yen)

	2018/3	2019/3 Results		2019/3 Forecasts		
	1Q	1Q	YoY(%)	Progress rate - 1st half (%)	1st Half	Full Year
Sales	18,238	20,738	+13.7	51.0	40,700	84,000
EBITDA	3,889	4,915	+26.4	68.3	7,200	16,900
EBITDA margin (%)	21.3	23.7	-	-	17.7	20.1
OP income	3,058	4,222	+38.0	69.2	6,100	14,300
OP income ratio (%)	16.8	20.4	-	-	15.0	17.0

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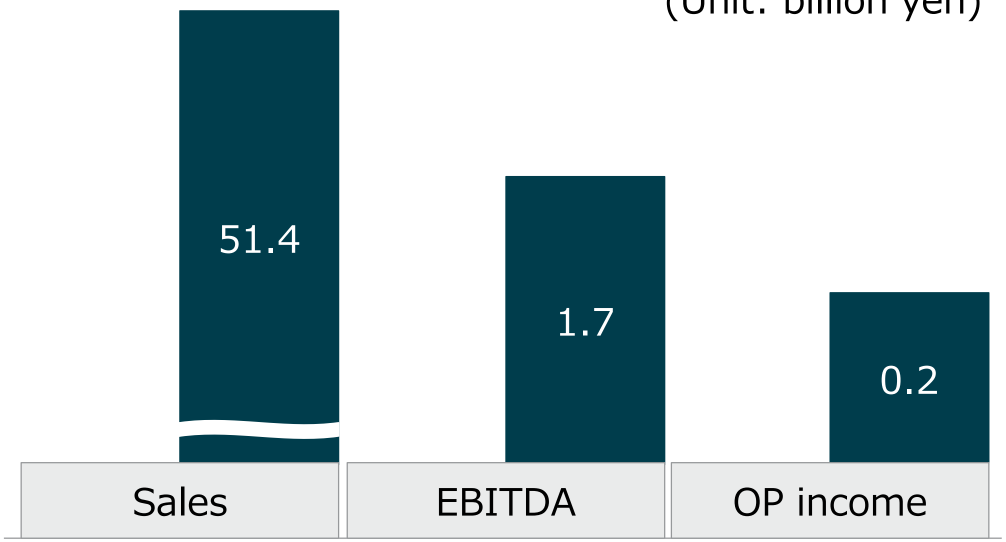
2019/3 1Q Transition of Business Results by Segments ③ PROGRAMMED

PERSOL

(Unit: billion yen)



2019/3 1Q : Highlights

- Australia GDP, staffing and maintenance industry had solid growth

＜Staffing＞
- While sales declined due to the price competition, profit remains solid due to the cost reduction
- Our strategy is to appeal our core strength “Safety”

＜Maintenance＞
- While order declined in mining sector, core business of facility maintenance acquired new contracts and remains favorable

(Unit: million yen)

	2018/3	2019/3 Results		2019/3 Forecasts		
	1Q	1Q	YoY(%)	Progress rate - 1st half (%)	1st Half	Full Year
Sales	-	51,495	-	48.6	106,000	215,000
EBITDA	-	1,752	-	56.5	3,100	6,500
EBITDA margin (%)	-	3.4	-	-	2.9	3.0
OP income	-	234	-	58.6	400	1,100
OP income ratio (%)	-	0.5	-	-	0.4	0.5

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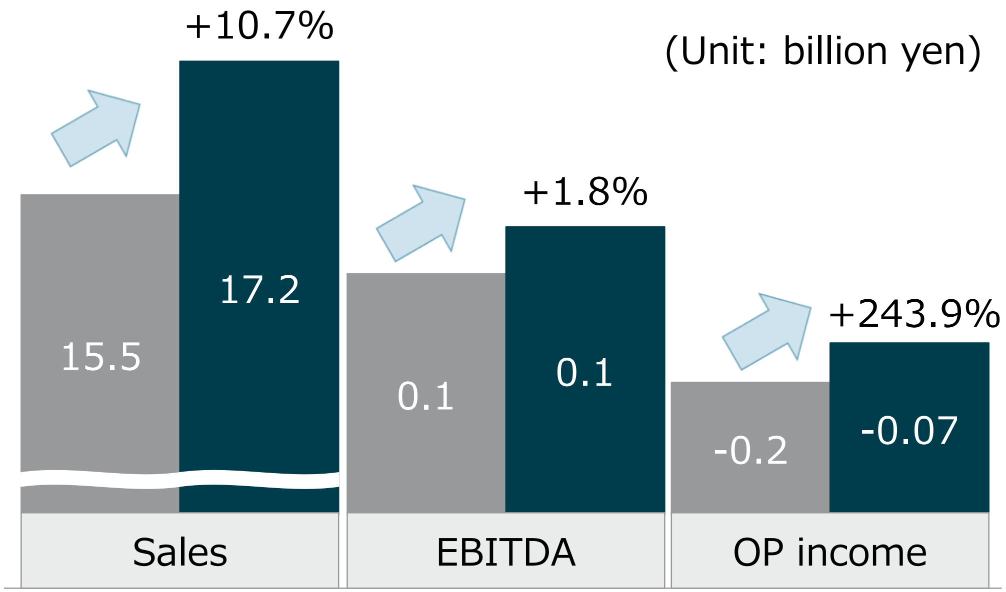
2019/3 1Q Transition of Business Results by Segments ④ PERSOLKELLY



2019/3 1Q : Highlights

- High sales growth due to the favorable market condition and high GDP growth in APAC countries
- Investment in personnel and implementation of a common system for the productivity improvement to meet the demands
- Capita had healthy recovery under the new regime after booking the impairment loss on FY2018 3Q

(Unit: million yen)

	2018/3	2019/3 Results		2019/3 Forecasts		
	1Q	1Q	YoY(%)	Progress rate - 1st half (%)	1st Half	Full Year
Sales	15,581	17,254	+10.7	54.1	31,900	68,000
EBITDA	104	106	+1.8	35.4	300	1,200
EBITDA margin (%)	0.7	0.6	-	-	0.9	1.8
OP income	△261	△76	+243.9	-	0	700
OP income ratio (%)	△1.7	△0.4	-	-	0.0	1.0

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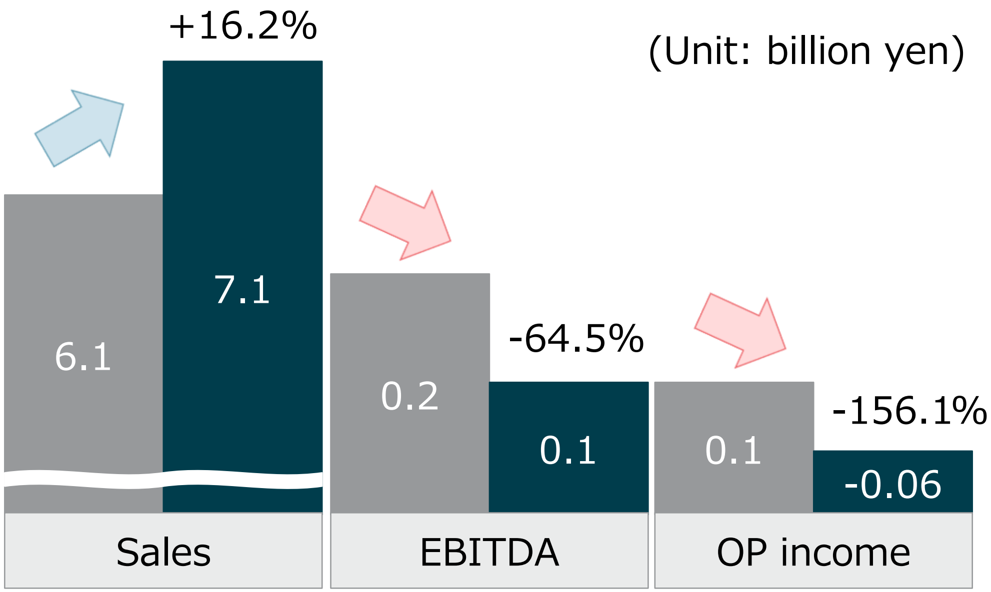
*See the "Factbook for the First Quarter Ended June 30, 2018" released on the website on the same date for the quarterly results

2019/3 1Q Transition of Business Results by Segments ⑤ ITO



2019/3 1Q : Highlights
• Demand for IT system and SI-related services from client companies remained solid • Sales grew due to the increase in the high value-added PJ such as SI-related service and outsourcing, as well as the sales of own products • Profitability declined due to labor condition improvement for retention and recruitment of IT engineers

(Unit: million yen)

	2018/3	2019/3 Results		2019/3 Forecasts		
	1Q	1Q	YoY(%)	Progress rate - 1st half (%)	1st Half	Full Year
Sales	6,182	7,181	+16.2	47.9	15,000	33,000
EBITDA	290	103	-64.5	14.7	700	2,100
EBITDA margin (%)	4.7	1.4	-	-	4.7	6.4
OP income	116	-65	-156.1	-16.3	400	1,500
OP income ratio (%)	1.9	-0.9	-	-	2.7	4.5

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2019/3 1Q Transition of Business Results by Segments ⑥ Engineering

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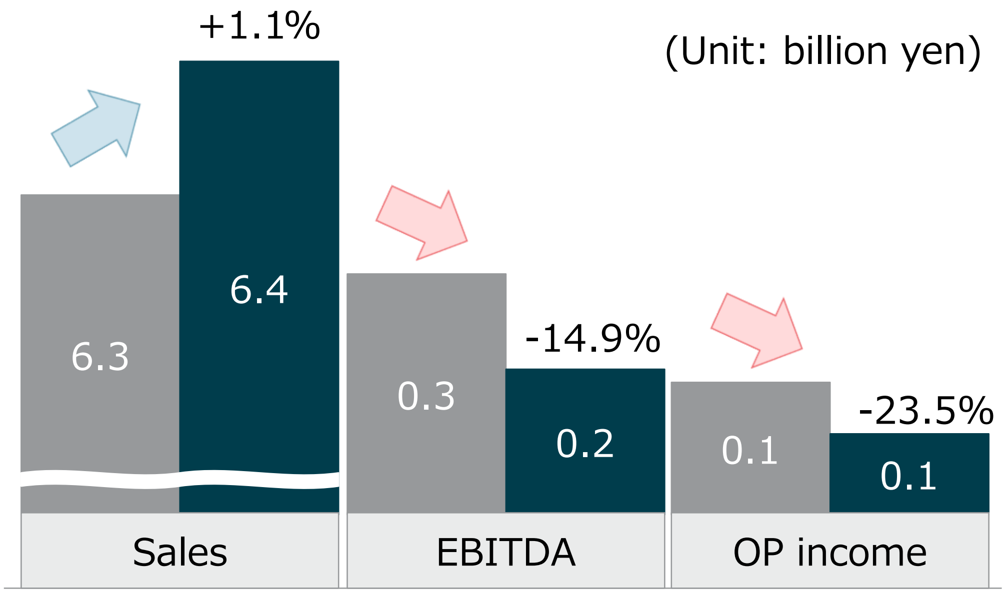
(Unit: billion yen)



2019/3 1Q : Highlights

- New regime with two companies of PERSOL RESEARCH & DEVELOPMENT and PERSOL AVC TECHNOLOGY
- Demands for development of construction machinery, medical related products increased in addition to the automobile and electric industries
- While profit declined due to the acceptance period shift, unit price increased by price revision and personnel expansion including entrance of new grads
- Continue to ensure the business scale through aggressive recruitment and utilization of partners

(Unit: million yen)

	2018/3	2019/3 Results		2019/3 Forecasts		
	1Q	1Q	YoY(%)	Progress rate - 1st half (%)	1st Half	Full Year
Sales	6,368	6,439	+1.1	46.0	14,000	30,000
EBITDA	339	288	△14.9	25.1	1,150	3,100
EBITDA margin (%)	5.3	4.5	-	-	8.2	10.3
OP income	191	146	△23.5	16.3	900	2,700
OP income ratio (%)	3.0	2.3	-	-	6.4	9.0

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*See the "Factbook for the First Quarter Ended June 30, 2018" released on the website on the same date for the quarterly results

2019/3 1Q Transition of Business Results by Segments ⑦ Others／Adjustment

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(Unit: million yen)

Others	2018/3	2019/3 Results		2019/3 Forecasts		
	1Q	1Q	YoY(%)	Progress rate - 1st half (%)	1st Half	Full Year
Sales	935	1,418	+51.6	56.8	2,500	5,000
EBITDA	-9	101	+1,138.6	-50.9	-200	-200
EBITDA margin (%)	-1.0	7.2	-	-	-8.0	-4.0
OP income	-25	84	+427.2	-42.0	-200	-250
OP income ratio (%)	-2.7	5.9	-	-	-8.0	-5.0

(Unit: million yen)

Adjustment	2018/3	2019/3 Results		2019/3 Forecasts		
	1Q	1Q	YoY(%)	Progress rate - 1st half (%)	1st Half	Full Year
Sales	-2,806	-3,539	-	-	-7,000	-15,000
EBITDA	294	297	-	-	-50	-800
EBITDA margin (%)	-	-	-	-	-	-
OP income	107	87	-	-	-300	-1,450
OP income ratio (%)	-	-	-	-	-	-

*Internal transactions have not been eliminated from the figures
*See the "Factbook (Fiscal year 2018)" 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, and childcare business
*Adjustment stands for elimination of transactions between segments, and revenue and expenses of Temp Holdings Co., Ltd.

Appendix : Recent M&A

Company name	Programmed Maintenance Services Limited	
Established	January, 1992	
Net Sales (*1)	2,691 million AUD (*1)	
OP income (*1)	21 million AUD (*1)	
Acquisition date	October, 2017	
Contribution from	2018/3 4th quarter	
Ownership ratio	100%	
Acquisition price	66.0 billion yen (*2)	
Goodwill	Staffing	Maintenance
	21.0 billion yen	31.5 billion yen
Amortization period	10 year	20 year
Segment	PROGRAMMED	

*1. 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.
*2. Conversion of AUD1: JPY 88.15

Disclaimer

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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, 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.