



## 2Q FY ending March 2019 Results Briefing Session: Q&A Summary

Monday, November 12, 2018 (Mon.)

PERSOL HOLDINGS CO., LTD.

Q: In the Temporary staffing/BPO segment, sales and also the number of new candidate registrations being secured is proceeding smoothly for PERSOL TEMPSTAFF with its large corporate scale, and in major metro areas. Besides this, if I may say, the situation is somewhat difficult so, in future how do you intend to grow?

A: A major trend in future will be aimed at improving productivity by promoting integration of the business through mergers of subsidiaries similar to those in October. A merger of subsidiaries is also being considered for April next year.

Q: Will costs increase due to this merger of subsidiaries in April next year?

A: Merger costs similar in scale to those of this period is not anticipated. If mergers do take place during this period as well, costs are expected to be kept to a bare minimum.

Q: What is the outlook for the Temporary staffing/BPO segment in the second half? Quantitative momentum has declined somewhat, and unit prices are trending upwards however, what is the future outlook?

A: In future as well, we see demand continuing to be firm. The reason for this is, changes to the working environment due to Japan's laws; reforms to working styles, same-work same-pay etc. We here at PERSOL do not see this working against our favor. PERSOL responds to aspirations for diverse working styles, and we are aware this is the core of growth in the temporary staffing business. As a result, we believe future growth of approximately 5%~10% can be anticipated in future.

Q: With regards to the investment effect of the "GENESIS" core temporary staffing HRIS system in the Temporary staffing/BPO segment, as at FY March 2021, what sort of effect will this system have on sales and operating profit for that same segment?

A: Benefit will be delivered due to improved matching ratios of candidates to orders, and operational efficiency gains focusing on major metropolitan areas. It is anticipated there will be a positive impact on both sales and profit however, I believe the aim is to weave



the detailed numbers into the business plans for next financial year and the next Medium-term Management Plan.

Q: What is the future outlook for the placement business and 'an' (for-hire advertising) business within the Recruiting segment?

A: We see a continuation of solid demand for placement services in the future as well. The market itself is not just expanding, diversification of job-change needs is taking place. From here on as well, we expect to see sales growth of around 25%, and for the foreseeable future we believe the placement business will be the driver of growth in the Recruitment segment.

The 'an' (for-hire advertising) business is currently in a re-building phase, the most recent KPIs are changing for the better but, we believe contribution to profit will come a little further down the track.

Q: What is the status of the PROGRAMMED segment? There is a feeling that the momentum has declined but, is there the possibility of an impairment?

A: The trend is still within the anticipated range of business plans at the time of the M&A. At this point in time an impairment is not anticipated. The Australian economy is strong overall but, the feeling is the market for temporary staffing has weakened a little. Plans for improvement in the second half are being formulated, post merger integration (PMI) within the PROGRAMMED segment is proceeding further, and systems improvements etc. are also continuing. In addition, thought is being given to utilizing technology to develop new services etc.

The maintenance business is seeing public sector opportunities steadily adding up, so we believe progress will be strong from the second half onwards.

Q: Compared to the PERSOLKELLY segment, PROGRAMMED segment results are less than ideal but, is there some difference in the direction of management structures and business management?

A: There is a feeling that the market for temporary staffing in Australia has weakened a little very recently. The Australian business within the PERSOLKELLY segment has also struggled somewhat. With respect to management structures and business management, the PERSOLKELLY segment covers 12 countries/regions within APAC, and progress



was made this period in unifying core systems and the results of this are beginning to emerge little by little. In regards to this, the PROGRAMMED segment post merger integration (PMI) is still underway, so the phases of these businesses differ. Business plans are being formulated and measures taken to generate results from the next period onwards.

Q: In 2Q of FY March 2019, earnings forecast values, and actual values differed and timely disclosures were released however, what is the outlook for the full business year? Are there any large costs anticipated in the second half?

A: At this point in time, there has been no revision of the full year results forecast. Also, there are no large costs anticipated in the second half.

Q: What are the topics and direction outlined in the the next Medium-term Management Plan?

A: There is a feeling that comprehensive consideration needs to be made of the direction taken towards technology and overseas labor markets etc. but, at this point in time we are not at the stage where we can pass details on. Consideration is proceeding, and at the latest, we believe we will be able to indicate these thoughts by May 2020.

In the next Medium-term Management Plan, we believe that how we deal with diversity of working styles, freelancing, a more generalized society etc. will continue to be major pillars and themes within the plan. Also, it is believed that the problem of mismatching candidates to job opportunities etc. will be incorporated into development of technology. With a view to actually achieve reforms to working styles, providing various ways of working that suit each individual's life-stage is something where the industry believes it can make a contribution and thoroughly incorporate in businesses.