



**Briefing on Consolidated Financial  
Results for the Third Quarter  
Ended December 31, 2018**

PERSOL HOLDINGS CO., LTD.  
14 Feb 2019

# FY Mar 2019: 3Q Summary of Consolidated Results

Sales grew +38.4% due to stable growth amongst existing businesses and M&A contribution, and achieved a new record for sales in a 3Q period.

The core temporary staffing and placement businesses led the way, and profit grew substantially.

(Unit:JPY million)

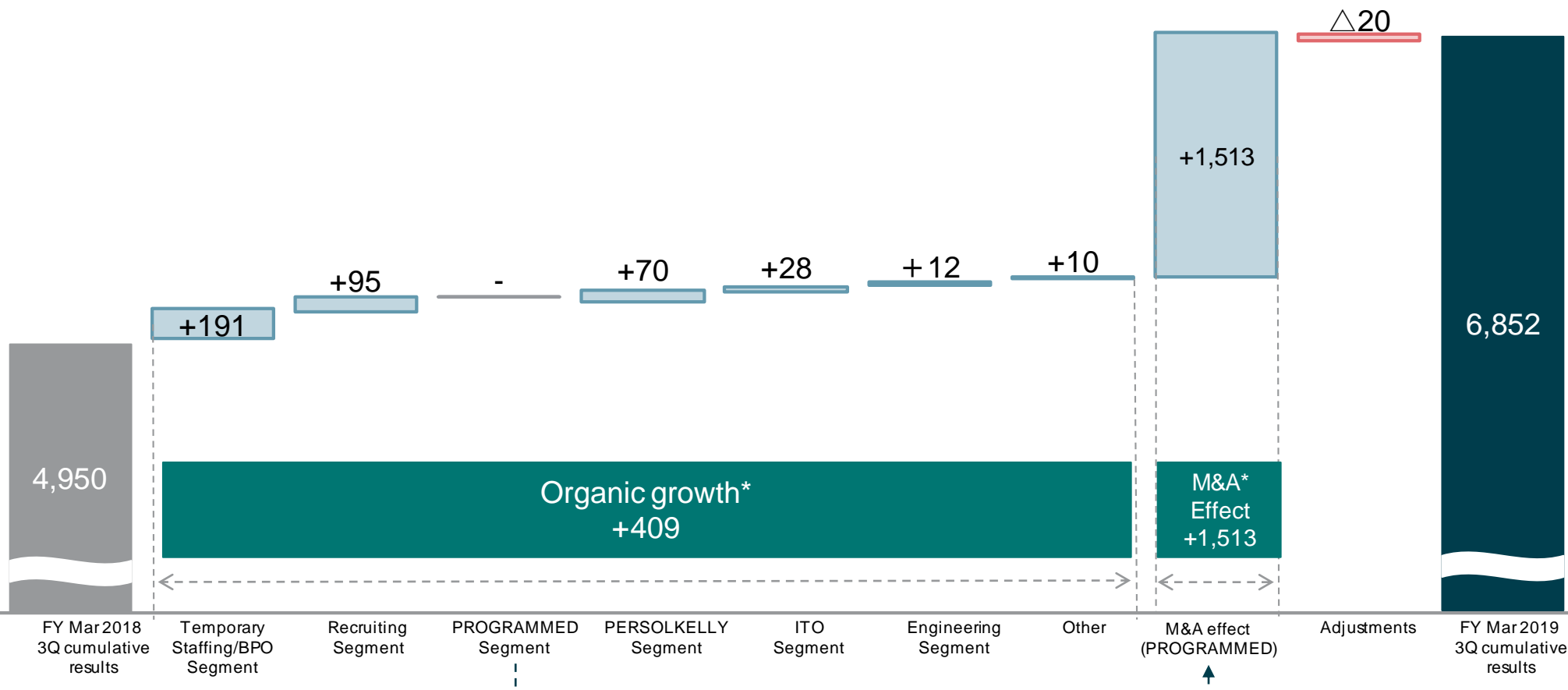
	FY Mar 2018		FY Mar 2019			FY Mar 2019 Forecast Results	
	3Q Cumulative	Ratio (%)	3Q Cumulative	Ratio (%)	Growth rate (%)	Full Year	Progress (%)
Sales	495,085	100.0	685,231	100.0	+38.4	940,000	72.9
Gross profit	118,323	23.9	151,252	22.1	+27.8	-	-
EBITDA*	33,648	6.8	43,730	6.4	+30.0	56,500	77.4
Operating Profit	25,899	5.2	32,074	4.7	+23.8	42,500	75.5
Net Profit Attributable to Owners of Parent	10,872	2.2	18,738	2.7	+72.3	21,800	86.0

\*Figures are rounded down (as with following pages) \*EBITDA = Operating Profit + Depreciation + Amortization of Goodwill (as with following pages)

# FY Mar 2019: 3Q Sales Analysis

Organic growth of existing business was +8.3% together with the PROGRAMMED M&A contribution resulted in sales growth of +38.4%.

(Unit: JPY 100 million)



\*M&A target companies (figures in brackets indicate date (YY/MM) that contribution to consolidated results commenced): Programmed Maintenance Services Limited (Jan 2018).

\*M&A effect : Indicates the net increase of funds due to M&As (Values are prior to eliminations of internal transactions).

\*Organic growth (or existing businesses) : Indicates amounts of increase that exclude the net increase of funds due to M&As (Figures are prior to elimination of internal transactions)

\*Business Process Outsourcing (BPO), IT Outsourcing (ITO) (identical with following pages)

# FY Mar 2019: 3Q Sales by Segment

Demand continued to be robust, and sales grew in each segment.

(Unit:JPY million)

	FY Mar 2018	FY Mar 2019		FY Mar 2019 Results Forecast	
	3Q Cumulative	3Q Cumulative	Growth (%)	Full Year	Progress (%)
Temp/BPO	359,263	378,435	+5.3	520,000	72.8
Recruiting	52,736	62,249	+18.0	84,000	74.1
PROGRAMMED*	-	151,331	-	215,000	70.4
PERSOLKELLY	48,452	55,495	+14.5	68,000	81.6
ITO	21,004	23,869	+13.6	33,000	72.3
Engineering	20,154	21,371	+6.0	30,000	71.2
Other	3,123	4,219	+35.1	5,000	84.4
Adjustments	△9,648	△11,739	-	△15,000	-
TOTAL	495,085	685,231	+38.4	940,000	72.9

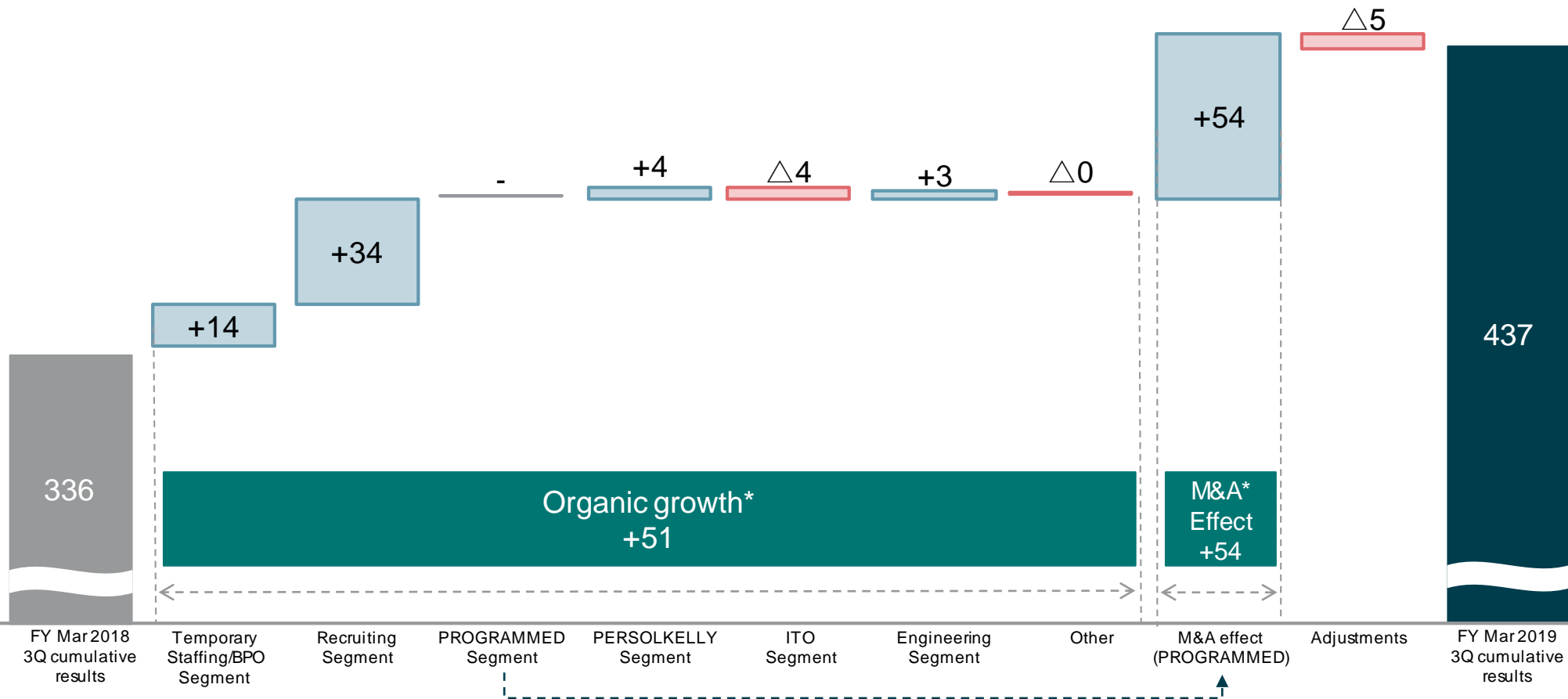
\*PROGRAMMED Segment: The financial closing date of PROGRAMMED LTD. differs with PERSOL by 3 months. The Deemed Acquisition Date for Business Combinations is set as 30 September 2017 and as such, PROGRAMMED LTD's contribution to the results commences from January 2018.

\*Figures are prior to elimination of internal transactions

# FY Mar 2019: 3Q EBITDA Analysis

Organic growth of existing business was +15.3% together with the PROGRAMMED M&A contribution resulted in EBITDA growth of +30.0%.

(Unit: JPY 100 million)



\*M&A target companies (figures in brackets indicate date (YY/MM) that contribution to consolidated results commenced): Programmed Maintenance Services Limited (Jan 2018). Acquisition costs of Programmed (0.8 billion) was booked at FY 2018 3Q.

\*M&A effect : Indicates the net increase of funds due to M&As (Values are prior to eliminations of internal transactions).

\*Organic growth (or existing businesses) : Indicates amounts of increase that exclude the net increase of funds due to M&As (Figures are prior to elimination of internal transactions)

\*Business Process Outsourcing (BPO), IT Outsourcing (ITO) (identical with following pages)

# FY Mar 2019: 3Q EBITDA by Segment

Drivers of organic growth were the Temporary Staffing/BPO and Recruiting segments.

(Unit:JPY million)

	FY Mar 2018	FY Mar 2019		FY Mar 2019 Results Forecast	
	3Q Cumulative	3Q Cumulative	Growth (%)	Full Year	Progress (%)
Temp/BPO	19,433	20,850	+7.3	27,700	75.3
Recruiting	9,454	12,860	+36.0	16,900	76.1
PROGRAMMED*	△ 804	4,660	-	6,500	71.7
PERSOLKELLY	794	1,199	+51.0	1,200	100.0
ITO	1,831	1,430	△ 21.9	2,100	68.1
Engineering	1,910	2,266	+18.7	3,100	73.1
Other	△ 89	△ 116	△ 30.7	△ 200	-
Adjustments	1,118	577	-	△ 800	-
<b>TOTAL</b>	<b>33,648</b>	<b>43,730</b>	<b>+30.0</b>	<b>56,500</b>	<b>77.4</b>

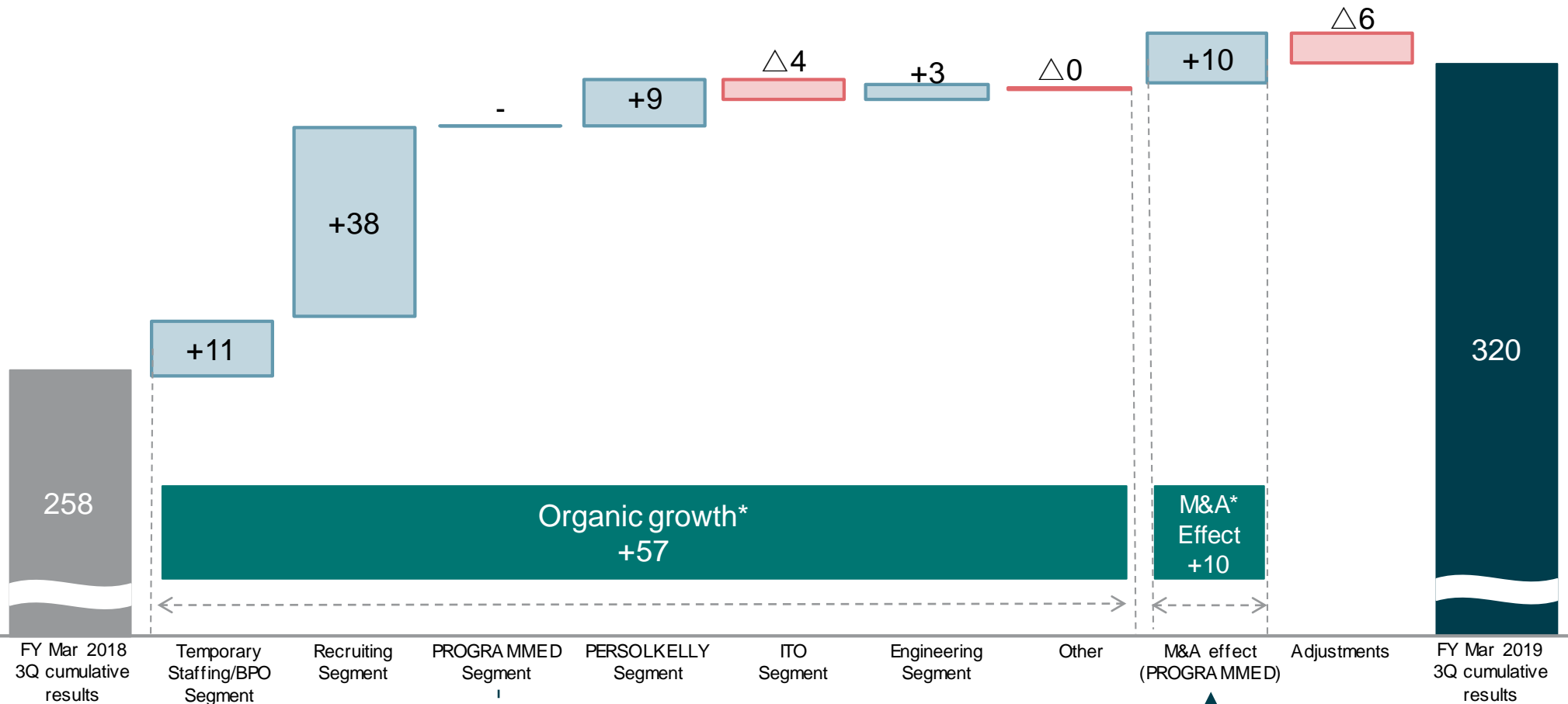
\*PROGRAMMED Segment: The financial closing date of PROGRAMMED LTD. differs with PERSOL by 3 months. The Deemed Acquisition Date for Business Combinations is set as 30 September 2017 and as such, PROGRAMMED LTD's contribution to the results commences from January 2018. Acquisition costs of Programmed (0.8 billion) was booked at FY 2018 3Q.

\*Figures are prior to elimination of internal transactions

# FY Mar 2019: 3Q Operating Profit Analysis

Organic growth of existing business was +22.4% together with the PROGRAMMED M&A contribution resulted in operating profit growth of +23.8%.

(Unit: JPY 100 million)



\*M&A target companies (figures in brackets indicate date (YY/MM) that contribution to consolidated results commenced): Programmed Maintenance Services Limited (Jan 2018). Acquisition costs of Programmed (0.8 billion) was booked at FY 2018 3Q.

\*M&A effect : Indicates the net increase of funds due to M&As (Values are prior to eliminations of internal transactions).

\*Organic growth (or existing businesses) : Indicates amounts of increase that exclude the net increase of funds due to M&As (Figures are prior to elimination of internal transactions)

\*Business Process Outsourcing (BPO), IT Outsourcing (ITO) (identical with following pages)

# FY Mar 2019: 3Q Operating Profit by Segment

Drivers of organic growth were the Temporary Staffing/BPO and Recruiting segments.

(Unit:JPY million)

	FY Mar 2018	FY Mar 2019		FY Mar 2019 Results Forecast	
	3Q Cumulative	3Q Cumulative	Growth (%)	Full Year	Progress (%)
Temp/BPO	16,908	18,015	+6.5	23,900	75.4
Recruiting	6,890	10,770	+56.3	14,300	75.3
PROGRAMMED*	△804	237	-	1,100	21.6
PERSOLKELLY	△314	647	+305.9	700	92.5
ITO	1,335	844	△36.7	1,500	56.3
Engineering	1,451	1,816	+25.1	2,700	67.3
Other	△139	△175	△25.9	△250	-
Adjustments	572	△83	-	△1,450	-
<b>TOTAL</b>	<b>25,899</b>	<b>32,074</b>	<b>+23.8</b>	<b>42,500</b>	<b>75.5</b>

\*PROGRAMMED Segment: The financial closing date of PROGRAMMED LTD. differs with PERSOL by 3 months. The Deemed Acquisition Date for Business Combinations is set as 30 September 2017 and as such, PROGRAMMED LTD's contribution to the results commences from January 2018. Acquisition costs of Programmed (0.8 billion) was booked at FY 2018 3Q.

\*Figures are prior to elimination of internal transactions



# FY Mar 2019: 3Q Consolidated Balance Sheet

(Unit:JPY million)	End of FY Mar 2018		End of 3Q FY Mar 2019		
	Results	Ratio (%)	Results	Ratio (%)	Increase/ Decrease
Assets	402,336	100.0	365,083	100.0	△37,252
Current Assets	230,552	57.3	205,310	56.2	△25,241
(Cash and deposits)	89,624	22.3	73,537	20.1	△16,087
Non-current Assets	171,783	42.7	159,773	43.8	△12,010
(Trademark rights/goodwill)	113,265	28.2	102,348	28.0	△10,917
Liabilities	242,343	60.2	197,042	54.0	△45,301
Current Liabilities	217,102	54.0	132,487	36.3	△84,614
(Loans payable within one year)	89,928	22.4	20,269	5.6	△69,659
Non-Current Liabilities	25,241	6.3	64,554	17.7	39,313
(Long-term loans payable)	15,713	3.9	35,713	9.8	20,000
(Bonds)	0	0.0	20,000	5.5	20,000
Net assets	159,992	39.8	168,041	46.0	8,048
Equity capital	145,537	36.2	153,140	41.9	7,602
(Capital stock)	17,467	4.3	17,479	4.8	12
(Capital surplus)	20,182	5.0	20,396	5.6	213
(Retained earnings)	105,993	26.3	120,054	32.9	14,061
Non-controlling interests	14,455	3.6	14,901	4.1	446

## Trademark rights/goodwill

Decreases due to amortization/forex rates

## Current assets/Current liabilities/Non-current liabilities

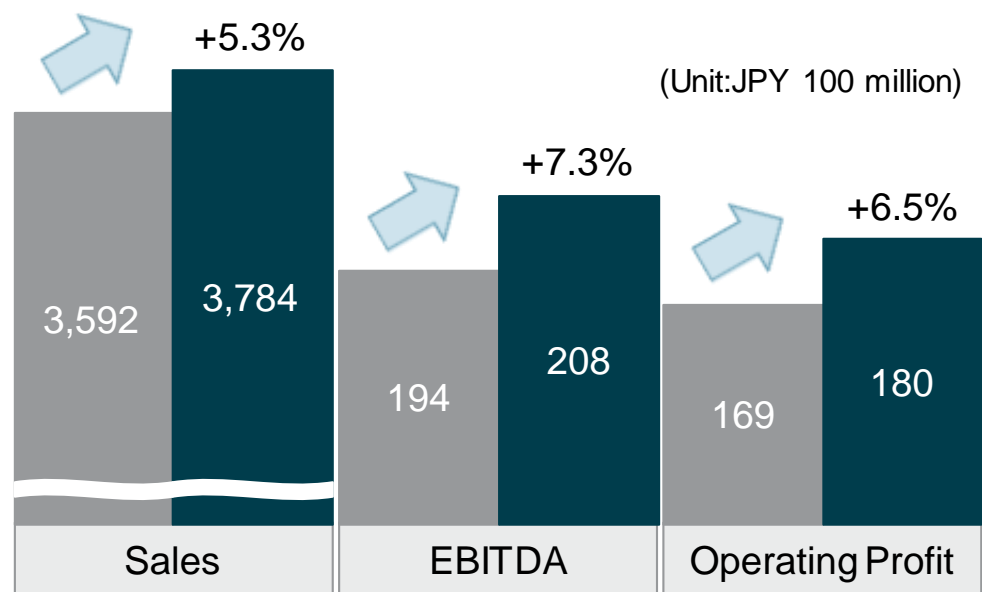
Repayment of short-term loans partially by cash, and refinancing the balance by long-term loans and corporate bonds. (long-term conversion)

## Retained earnings

Increases due to increased profit

\*Partial revision of "Accounting standards pertaining to Tax Effective Accounting" have been applied since 1Q in FY2019. Results were re-released after the results at the end of the previous FY were recalculated.

## FY Mar 2019: 3Q Business Results Trends by Segment: ① Temporary Staffing/BPO Segment



### FY Mar 2019: 3Q Highlights

- Workstyle-reform, and chronic labor shortages as a backdrop see temporary labor demand at high levels.
- Growth in revenues due to the impact of revisions to Japan's labor laws acting to strengthen demand.
- Costs associated with merging subsidiaries increased, however, direct hiring by clients in response to revisions to Japan's labor laws resulted in growth in placement fee revenues, and also higher billing rates.

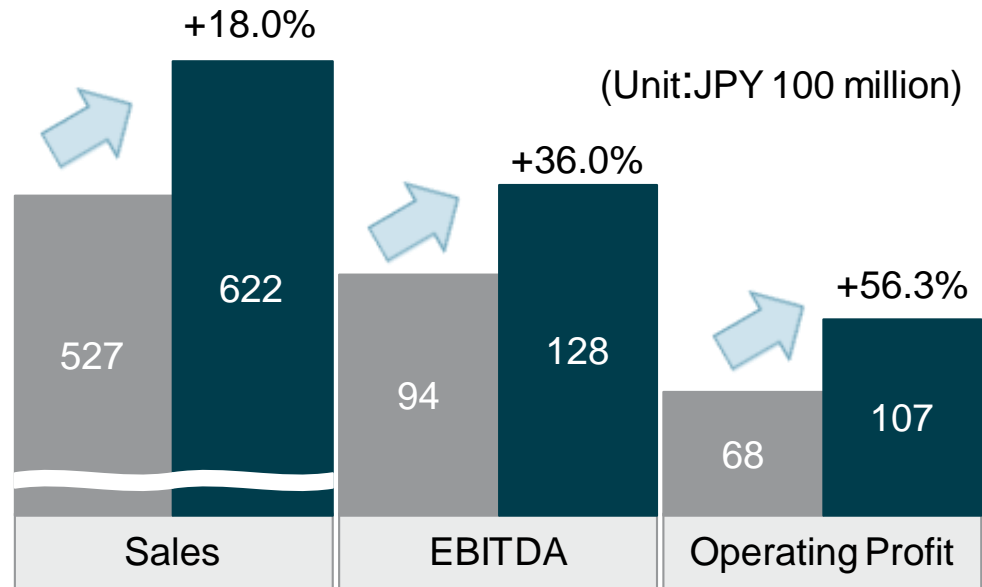
(Unit:JPY million)

	FY Mar 2018	FY Mar 2019		FY Mar 2019 Forecast Results	
	3Q Cumulative	3Q Cumulative	Growth (%)	Full Year	Progress (%)
Sales	359,263	378,435	+5.3	520,000	72.8
EBITDA	19,433	20,850	+7.3	27,700	75.3
EBITDA Margin (%)	5.4	5.5	-	5.3	-
Operating Profit	16,908	18,015	+6.5	23,900	75.4
Operating profit ratio (%)	4.7	4.8	-	4.6	-

\*Figures are prior to elimination of internal transactions

\*Please refer to the "Factbook: 3rd Quarter FY March 2019" released on the PERSOL website on the same date as the quarterly results.

# FY Mar 2019: 3Q Business Results Trends by Segment : ② Recruiting Segment



## FY Mar 2019: 3Q Highlights

- Demand from client companies continued to be robust, with the placement business driving the results.
- Proactive investments were made into advertising, and headcount had to be bolstered in response to healthy demand resulting in substantial profit growth. (Of special note: in October 2018, the Career change service "DODA" was re-branded as "doda".)
- A decline in goodwill amortization also contributed to profitability improvements due to the booking of the amortization impairment in the "an" business during the previous FY 2018 4Q period.

(Unit:JPY million)

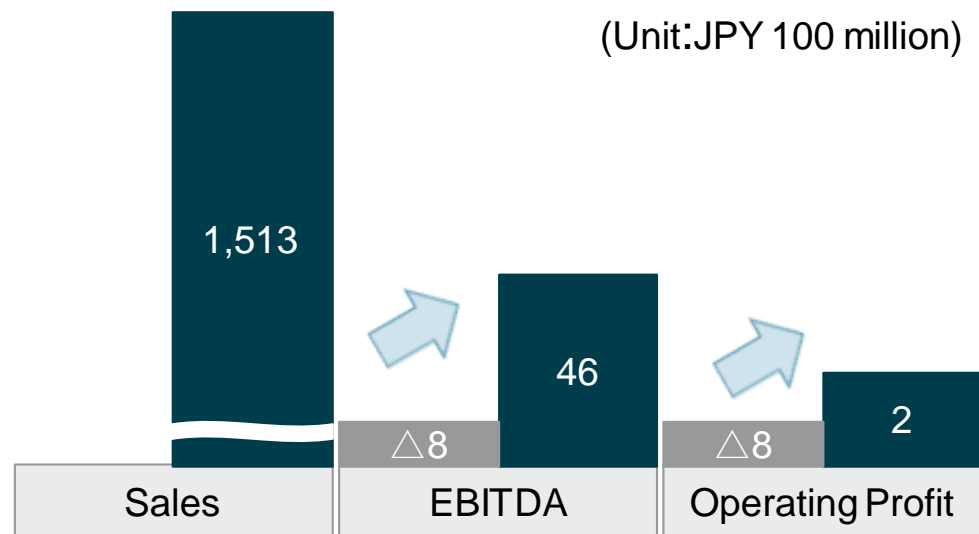
	FY Mar 2018	FY Mar 2019		FY Mar 2019 Results Forecast	
	3Q Cumulative	3Q Cumulative	Growth (%)	Full Year	Progress (%)
Sales	52,736	62,249	+18.0	84,000	74.1
EBITDA	9,454	12,860	+36.0	16,900	76.1
EBITDA Margin (%)	17.9	20.7	-	20.1	-
Operating Profit	6,890	10,770	+56.3	14,300	75.3
Operating profit ratio (%)	13.1	17.3	-	17.0	-

\*Figures are prior to elimination of internal transactions

\*Please refer to the "Factbook: 3rd Quarter FY March 2019" released on the PERSOL website on the same date as the quarterly results.

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# FY Mar 2019: 3Q Business Results Trends by Segment: ③ PROGRAMMED Segment



## FY Mar 2019: 3Q Highlights

### Staffing Business:

- Aggressive pricing by some competitors had an impact and even though sales declined, there was only a slight reduction in profit due to offsetting reductions in sales and general administrative (SGA) expenses.

### Maintenance Business:

- For facility maintenance of public institutions, despite the sales declined due to the decrease of orders from major customers, profits are steady due to new orders of university related facilities projects
- Meanwhile, maintenance of mining facilities has declined in operating rate as orders from existing customers declined, both sales and profits declined

(Unit:JPY million)

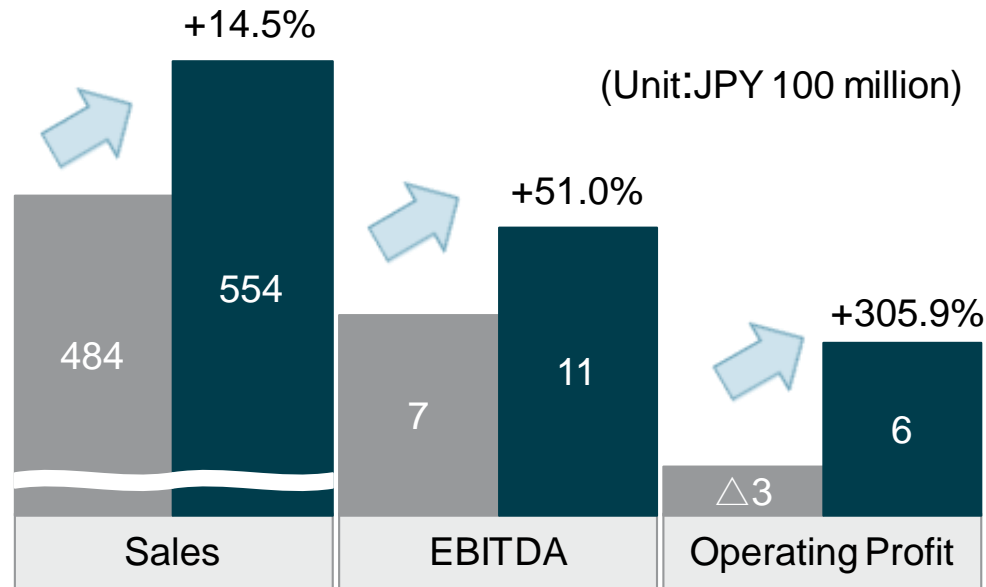
	FY Mar 2018	FY Mar 2019		FY Mar 2019 Results Forecast	
	3Q Cumulative	3Q Cumulative	Growth (%)	Full Year	Progress (%)
Sales	-	151,331	-	215,000	70.4
EBITDA	△804	4,660	-	6,500	71.7
EBITDA Margin (%)	-	3.1	-	3.0	-
Operating Profit	△804	237	-	1,100	21.6
Operating profit ratio (%)	-	0.2	-	0.5	-

\*Share acquisition related costs(0.8 billion) in 3Q of FY 2018 were booked.

\*Figures are prior to elimination of internal transactions

\*Please refer to the "Factbook: 3<sup>rd</sup> Quarter FY March 2019" released on the PERSOL website on the same date as the quarterly results.

## FY Mar 2019: 3Q Business Results Trends by Segment: ④ PERSOLKELLY Segment



### FY Mar 2019: 3Q Highlights

- Sales were healthy due to a backdrop of continued favorable market conditions in APAC countries. Operating profit successfully returned to the black with the placement business driving results.
- Proactive investments were made that targeted productivity improvements: proactive strengthening of deployments of personnel needed to handle the healthy demand, as well as implementation of a common systems in branches etc.
- Results for Capita recovered after an impairment loss was booked in the previous 3Q period, and the results from key countries continued to be healthy.

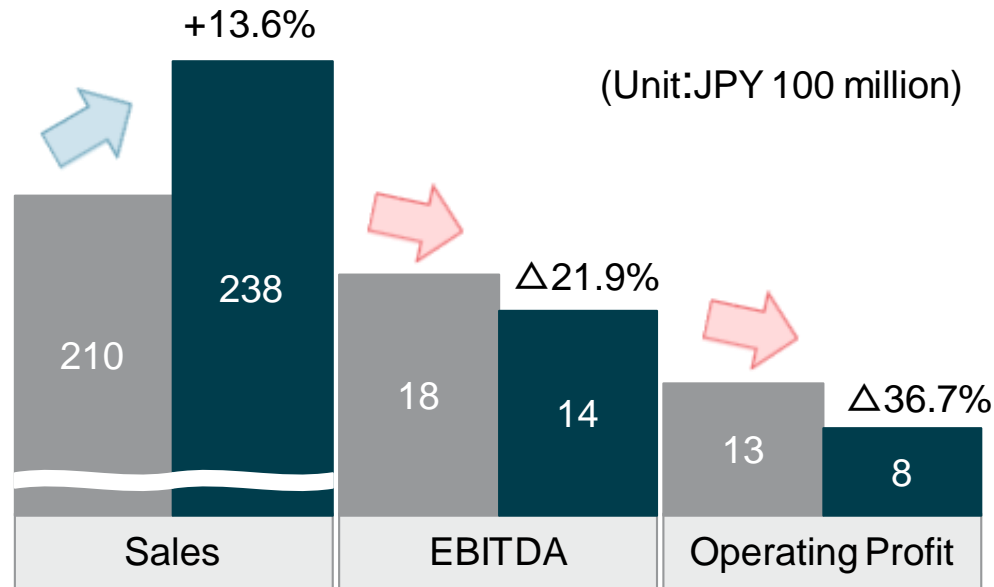
(Unit:JPY million)

	FY Mar 2018	FY Mar 2019		FY Mar 2019 Results Forecast	
	3Q Cumulative	3Q Cumulative	Growth (%)	Full Year	Progress (%)
Sales	48,452	55,495	+14.5	68,000	81.6
EBITDA	794	1,199	+51.0	1,200	100.0
EBITDA Margin (%)	1.6	2.20	-	1.8	-
Operating Profit	△314	647	+305.9	700	92.5
Operating profit ratio (%)	△0.6	1.2	-	1.0	-

\*Figures are prior to elimination of internal transactions

\*Please refer to the "Factbook: 3<sup>rd</sup> Quarter FY March 2019" released on the PERSOL website on the same date as the quarterly results.

## FY Mar 2019: 3Q Business Results Trends by Segment: ⑤ ITO Segment



### FY Mar 2019: 3Q Highlights

- Intention to invest (IT system related services etc.) remained solid among existing corporate clients.
- High value-added opportunities continuously lead the whole results (e.g. SI-related services, and outsourcing services etc.).
- Costs increased due to better treatment of workers, and even though there was a decline in profitability compared to the previous year, this trend was already factored into plans. In addition, the turnover rate tends to decline due to improvements to labor conditions.

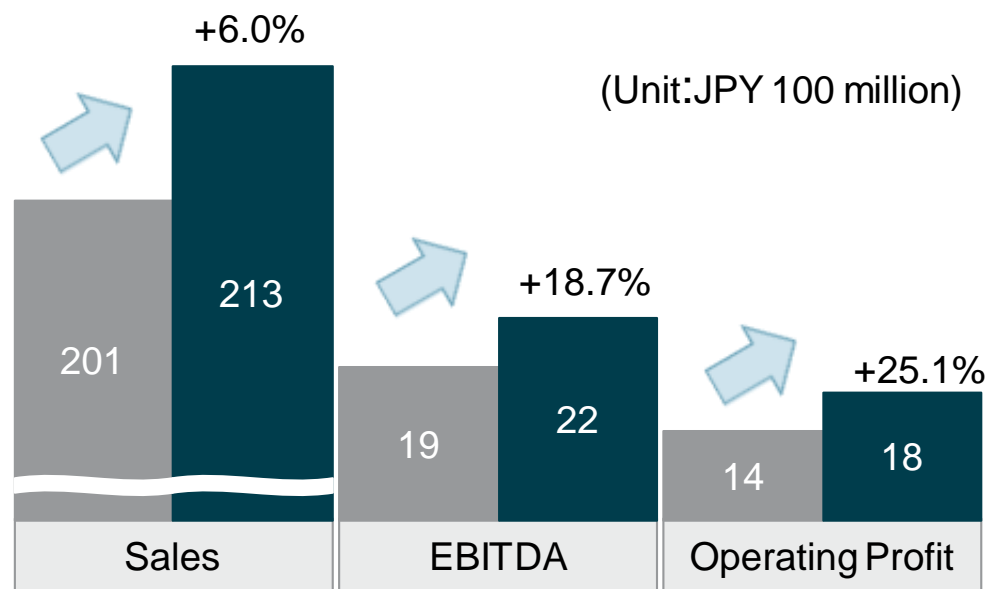
(Unit:JPY million)

	FY Mar 2018	FY Mar 2019		FY Mar 2019 Results Forecast	
	3Q Cumulative	3Q Cumulative	Growth (%)	Full Year	Progress (%)
Sales	21,004	23,869	+13.6	33,000	72.3
EBITDA	1,831	1,430	△21.9	2,100	68.1
EBITDA Margin (%)	8.7	6.0	-	6.4	-
Operating Profit	1,335	844	△36.7	1,500	56.3
Operating profit ratio (%)	6.4	3.5	-	4.5	-

\*Figures are prior to elimination of internal transactions

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# FY Mar 2019: 3Q Business Results Trends by Segment ⑥ Engineering Segment



## FY Mar 2019: 3Q Highlights

- Demand was weak for some household electronics, but R&D demand was strong in automobiles, and construction equipment etc.
- Margin improved due to solid orders and the increase of higher unit price deals
- Talent was actively recruited and momentum maintained in relation to partner activity to secure the scale of the business.

(Unit:JPY million)

	FY Mar 2018	FY Mar 2019		FY Mar 2019 Results Forecast	
	3Q Cumulative	3Q Cumulative	Growth (%)	Full Year	Progress (%)
Sales	20,154	21,371	+6.0	30,000	71.2
EBITDA	1,910	2,266	+18.7	3,100	73.1
EBITDA Margin (%)	9.5	10.6	-	10.3	-
Operating Profit	1,451	1,816	+25.1	2,700	67.3
Operating profit ratio (%)	7.2	8.5	-	9.0	-

\*Figures are prior to elimination of internal transactions

\*Please refer to the "Factbook: 3rd Quarter FY March 2019" released on the PERSOL website on the same date as the quarterly results. Copyright © PERSOL HOLDINGS CO., LTD. All Rights Reserved.

# FY Mar 2019: 3Q Business Results Trends by Segment: ⑦ Other/Adjustments

(Unit:JPY million)

Other	FY Mar 2018	FY Mar 2019		FY Mar 2019 Results Forecast	
	3Q Cumulative	3Q Cumulative	Growth (%)	Full Year	Progress (%)
Sales	3,123	4,219	+35.1	5,000	84.4
EBITDA	△89	△116	△30.7	△200	-
EBITDA Margin (%)	△2.9	△2.8	-	△4.0	-
Operating Profit	△139	△175	△25.9	△250	-
Operating profit ratio (%)	△4.5	△4.2	-	△5.0	-

(Unit:JPY million)

Adjustments	FY Mar 2018	FY Mar 2019		FY Mar 2019 Results Forecast	
	3Q Cumulative	3Q Cumulative	Growth (%)	Full Year	Progress (%)
Sales	△9,648	△11,739	-	△15,000	-
EBITDA	1,118	577	-	△800	-
EBITDA Margin (%)	-	-	-	-	-
Operating Profit	572	△83	-	△1,450	-
Operating profit ratio (%)	-	-	-	-	-

\*Figures are prior to elimination of internal transactions

\*Please refer to the "Factbook: 3<sup>rd</sup> Quarter FY March 2019" released on the PERSOL website on the same date as the quarterly results.

\*Others include our group functional services, education and training business, employment support business for people with disabilities, and childcare business

\*Adjustments stand for elimination of transactions between segments, and revenue and expenses of PERSOL HOLDINGS CO., LTD.



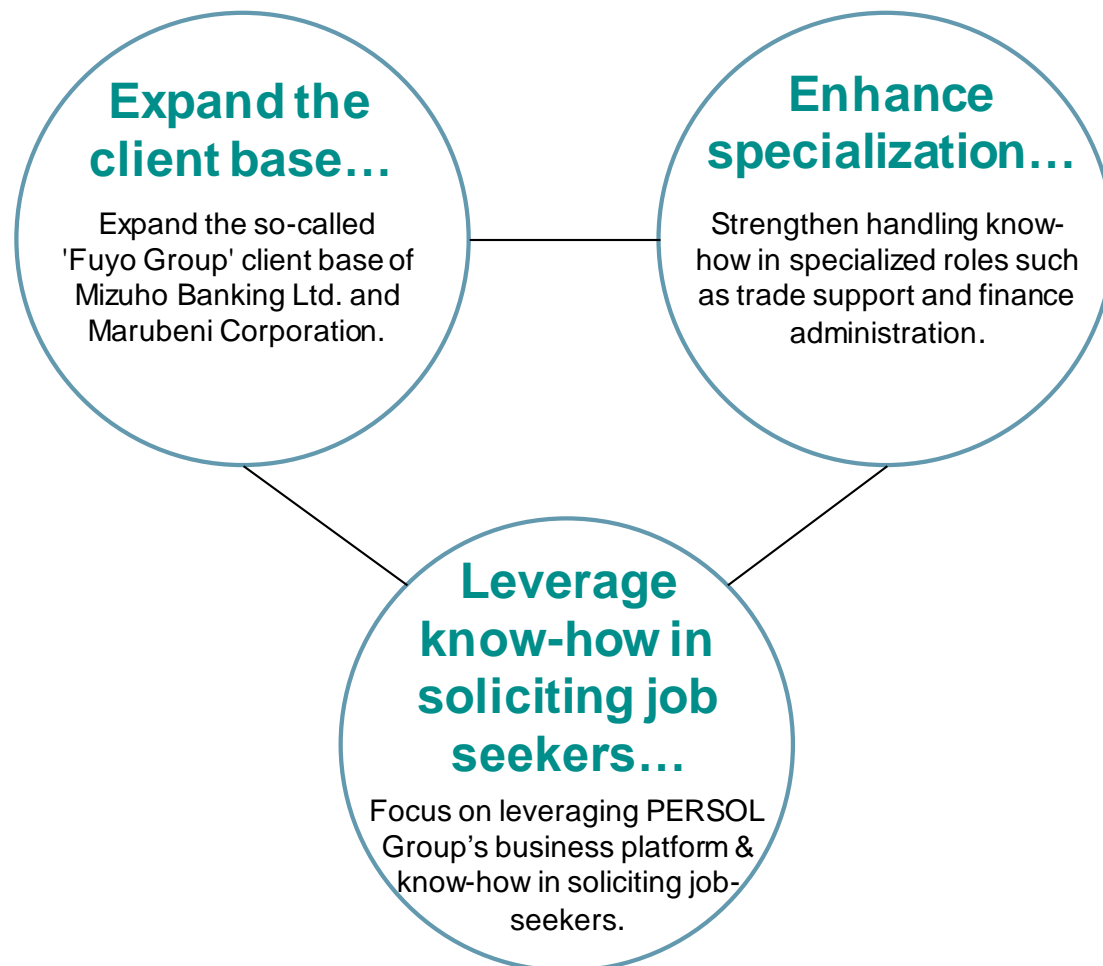
# Acquisition of Avanti Staff Corporation shares (conversion into a subsidiary)

We aim to further enhance corporate value by utilizing a client base such as Fuyo Group and the know-how of financial affairs and trade affairs cultivated by Avanti staff and the know-how relating to soliciting job seekers by PERSOL group

## Outline of share acquisition

Corporate Profile	Avanti Staff Corporation
	Established in September 1984
	Expand Temporary staffing business, placement/recruitment business, outsourcing business, training business within domestic Japan.
	Sales JPY 18,366 million, Operating profit JPY 271 million (FY Mar 2018 results)
Transaction Outline	Share transfer data : 31 Jan 2019
	Acquisition: 92.52% of fully issued shares
	Begin to be reflected in results: from 4Q of FY Mar 2019. (Temporary Staffing/BPO Segment)

## Aims



\*For further details, please refer to the timely release "Announcement regarding acquisition of Avanti Staff Corporation shares (conversion into a subsidiary)" made on 21 Dec 2018.

## Appendix: Recent M&As

Company name	Programmed Maintenance Services Limited	
Established	January 1992	
Net sales <sup>(*1)</sup>	AUD 2,691 million <sup>(*1)</sup>	
Operating profit <sup>(*1)</sup>	AUD 21 million <sup>(*1)</sup>	
Acquisition date	October 2017	
Contribution commenced being reflected in results	4Q of FY Mar 2018	
Ownership ratio	100%	
Acquisition price	JPY 66,000 million <sup>(*2)</sup>	
Goodwill	Staffing Business	Maintenance Business
	JPY 21,030 million	JPY 31,540 million
Goodwill amortization period	10 years	20 years
Affiliated segment	PROGRAMMED	

\*1. Figures refer to the results of PROGRAMMED Ltd. and its subsidiaries for the FY Mar 2017. Operating profit has been calculated after amortization of goodwill calculated at the time of acquisition (tentative figures), and after amortization of intangible fixed assets (total AUD 56 million/year).

\*2. Conversion rate used: AUD 1: JPY 88.15

## Attention: Note regarding handling of this material

Results forecasts etc. used in this material contain forward-looking statements which are based on a certain number of assumptions PERSOL deems rational, and the information at hand as of 14 February 2019 which are not meant in any way by PERSOL to be taken as assurances that will be realized. Actual results etc. may vary greatly due to various causes.

The figures, indicators, PERSOL Group results, and details of financial status included in this material have been released to facilitate an appropriate understanding. Kindly note that not all the figures and indicators have been subjected to audit and review by external auditors.



### August 2014: Selected as one stock forming the JPX-Nikkei 400 Index composition

What is the  
JPX-Nikkei 400?

The JPX-Nikkei 400 index is a new share price index composed of corporations that aim to satisfy the various requirements of global investment standards for the purpose of highlighting etc. in Japan and overseas the appeal of Japanese firms from a management view point of efficient application of capital and investor awareness etc.