



# **Fiscal Year Ended March 2019: Financial Results Briefing**

**PERSOL HOLDINGS CO., LTD.**  
**15 May 2019**

**Part 1: Overview of Consolidated Results for the FY Ended March 2019**

**Part 2: Medium-term Management Plan Progress Status**

**Part 3: Results Forecasts for the FY Ending March 2020**

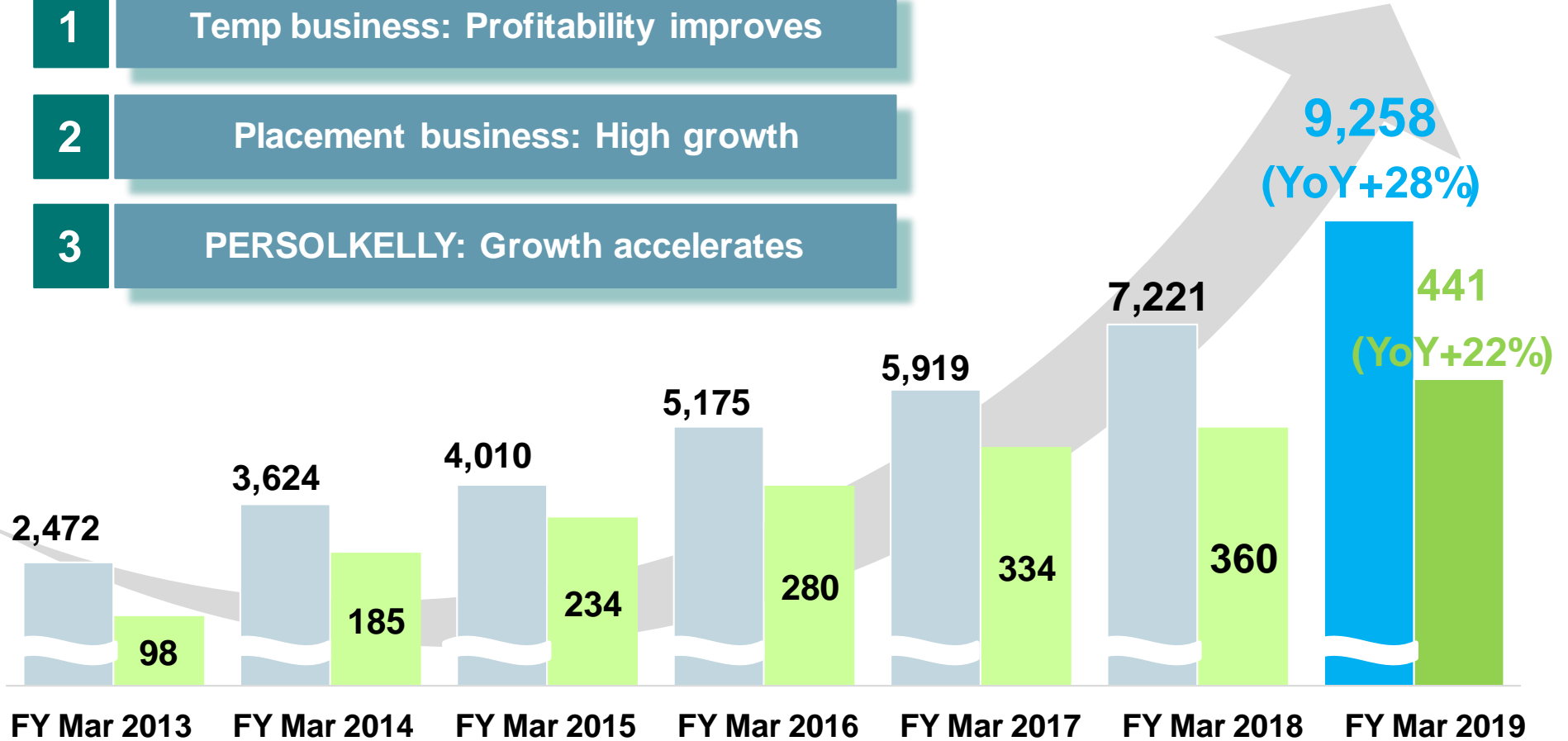
# **Part 1: Overview of Consolidated Results FY Ended March 2019**

# FY Ended March 2019: Consolidated Results

Highest results achieved for the past 7 consecutive financial years.  
 Business drivers: Japan domestic temp & placement businesses,  
 overseas PERSOLKELLY business.

- 1 Temp business: Profitability improves
- 2 Placement business: High growth
- 3 PERSOLKELLY: Growth accelerates

(Unit: JPY 100 million)



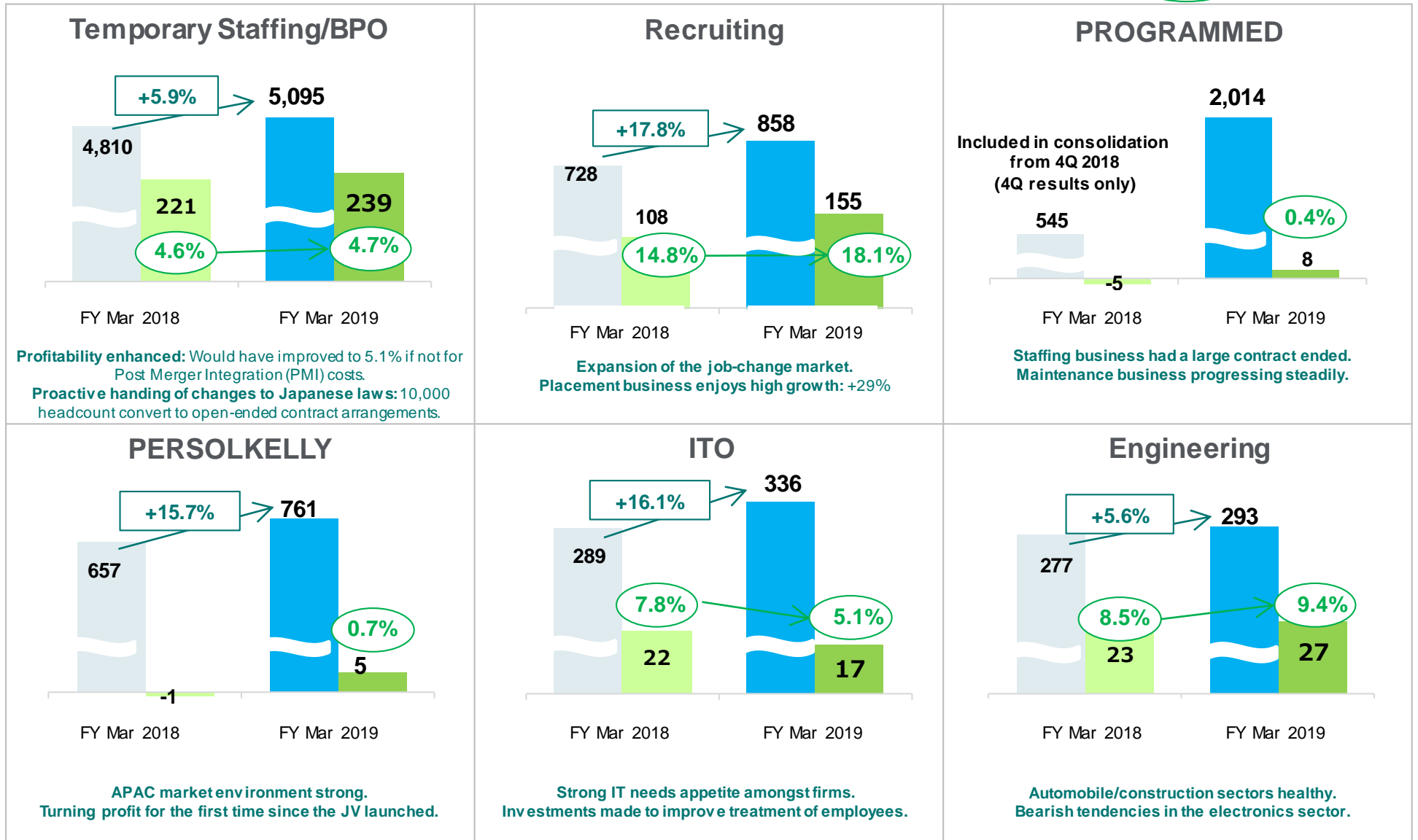
■ Sales ■ Operating profit

# FY Ended March 2019: Results by Segment

Business drivers: Temp/BPO, Recruiting, PERSOLKELLY.

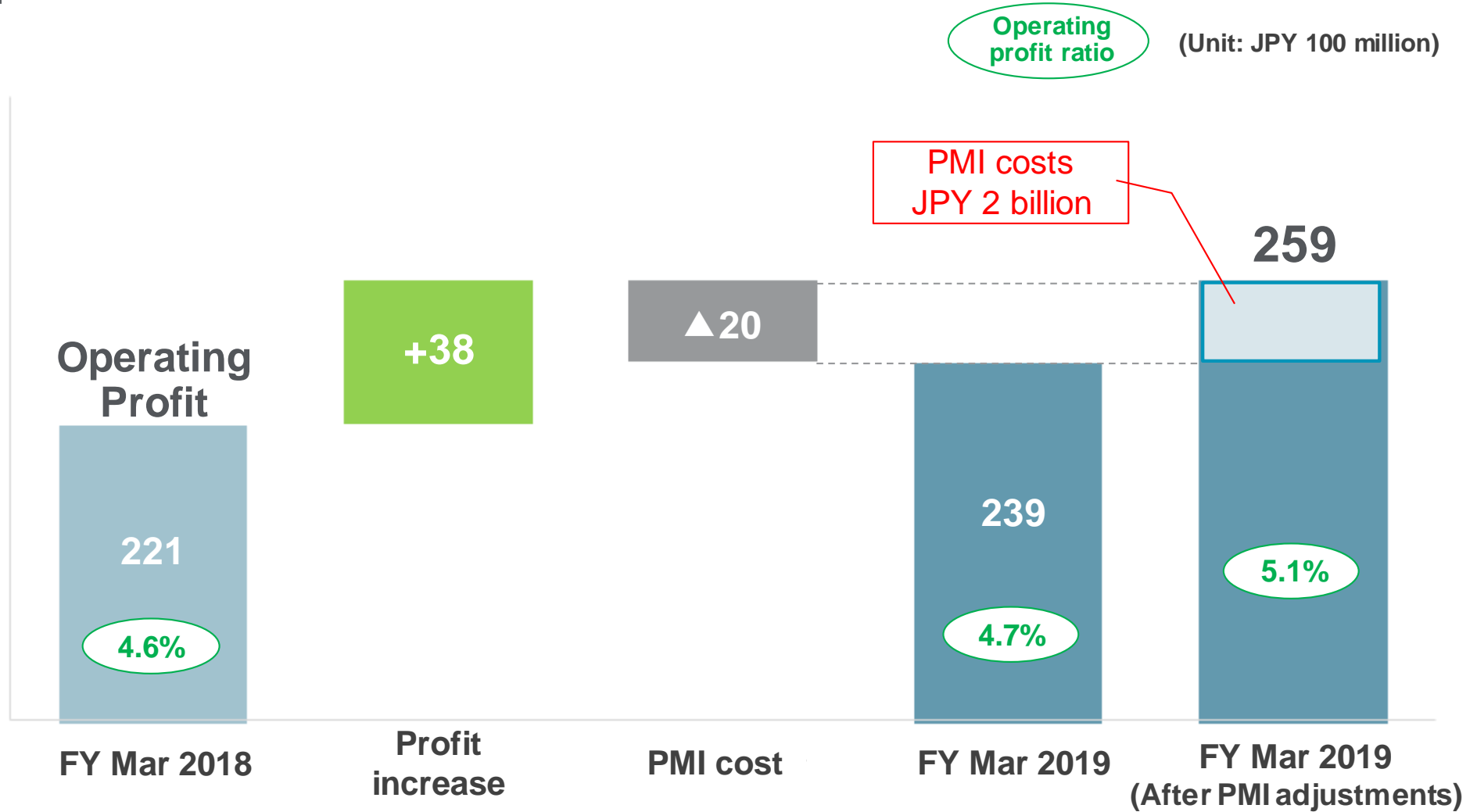


Sales Operating Profit Operating profit ratio (Unit: JPY 100 million)



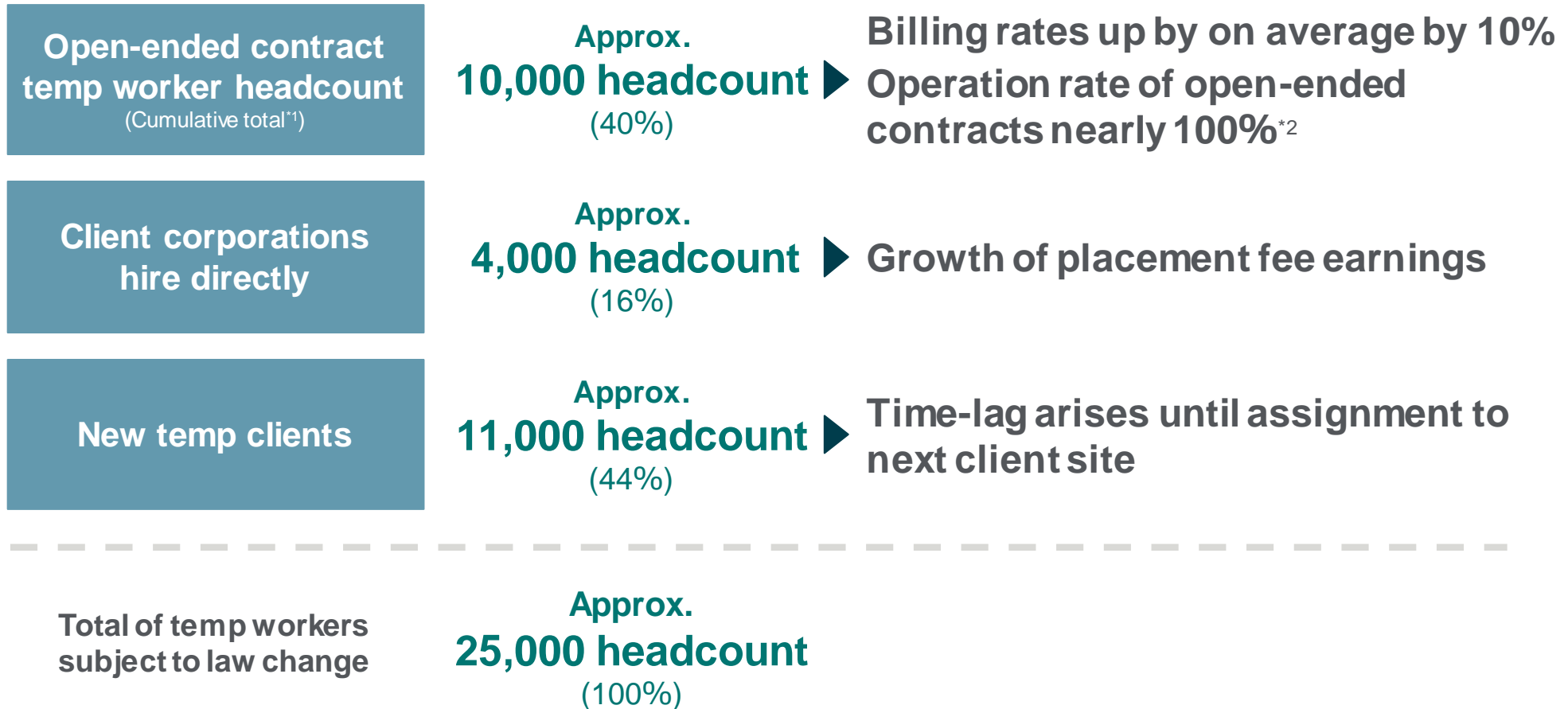
# Improved Profitability in the Temporary Staffing/BPO Segment

If not for Post Merger Integration (PMI) costs, the operating profit ratio would have improved to 5.1%.



# Handling of Temp Business Related Revisions to Japanese Laws:

Even though there was an impact of revisions to Japanese laws temporarily, 10,000 temp staffs that successfully transitioned to open-ended contract arrangements.



\*1: Number of temporary workers who transitioned to open-ended employment contracts as a consequence of revisions to Japan's Labor Contract Act and Japan's Worker Dispatching ('Temp') Act (excludes 2,600 open-ended contract temps who previously transitioned).

\*2: Operation rate excludes the time not working due to training/education activities.

# Outlook for Individuals Subject to Changes in Japanese Law:

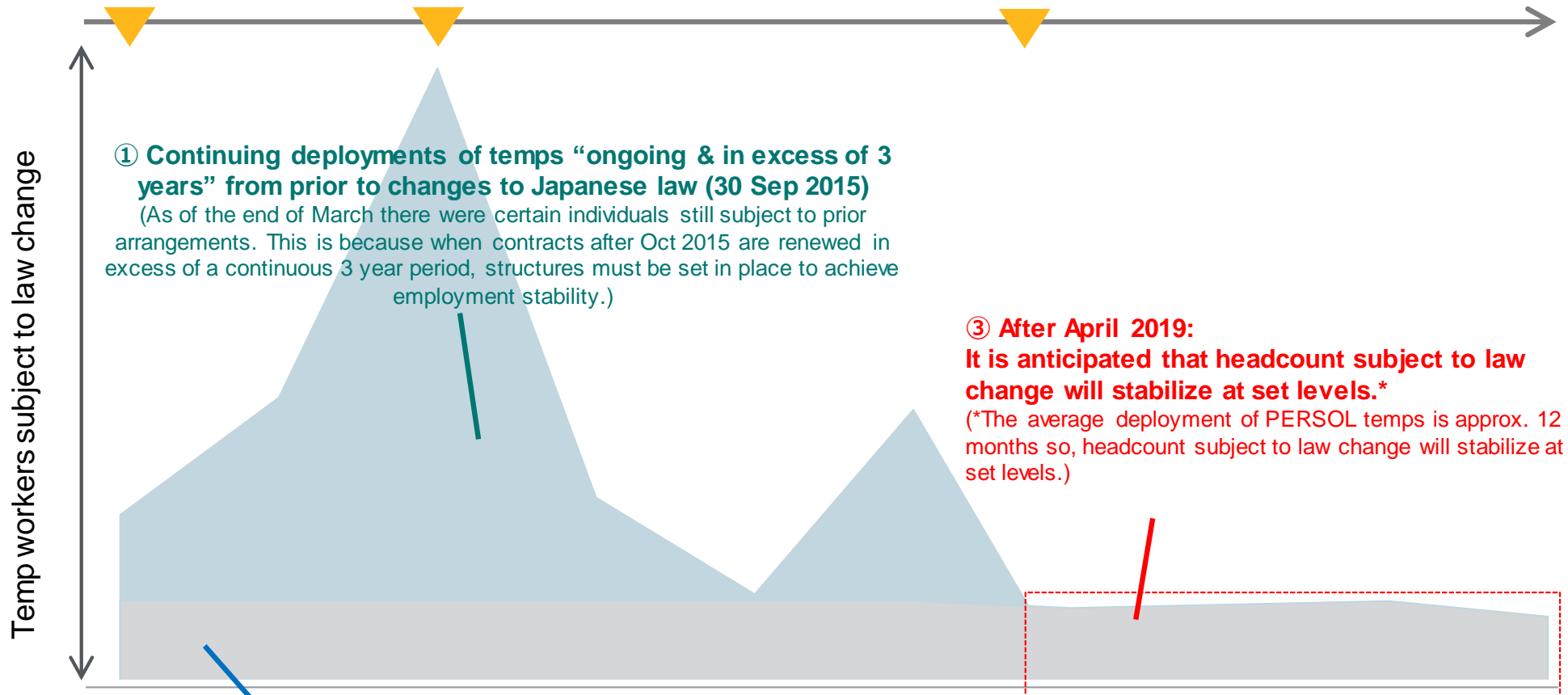
Peaked in December 2018.

From April 2019 onwards, headcount levels of temps working as temps for periods in excess of 3 years are anticipated to stabilize.

3 years after the law was enacted:  
30 Sep 2018

Dec 2018

Apr 2019



② The staff who started new operation at the same time as the law revision(30 Sep 2015), and "just approaching the point in time when they exceed the 3 years".



## High Growth Recruiting Segment

Continuous high growth achieved by actively hiring consultants, and by offering multi-tiered services.

### Placement business sales

**YoY + 29%**  
(doda plus\* is expanding)

### Advertisement business sales

(Aimed at permanent employees)

**YoY + 31%**

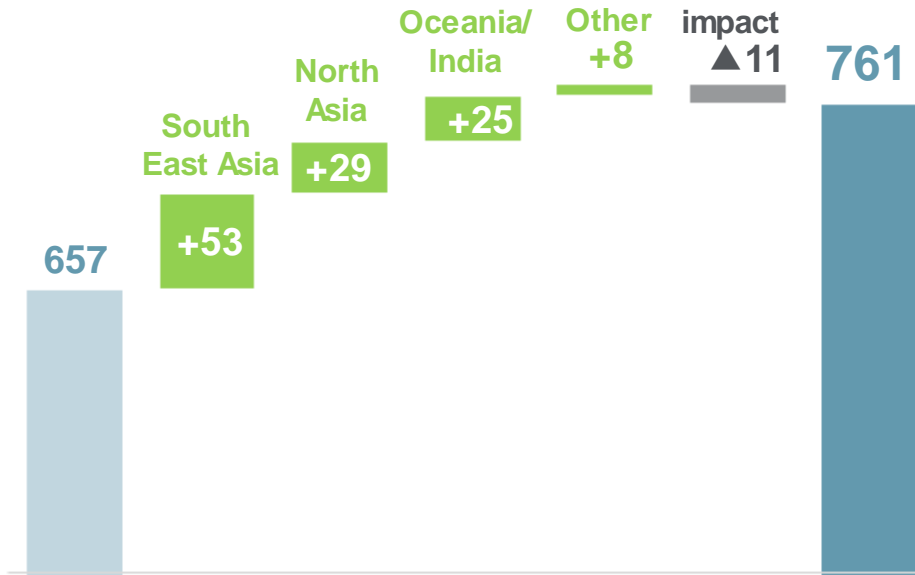
\*doda plus: A service where even those job seekers who have not received job counseling receive email & telephone approaches.

# Recovery in PERSOLKELLY Business Results

After a partial impairment of goodwill took place at PERSOLKELLY in the FY ended March 2018, singapore placement results recovered to become profitable

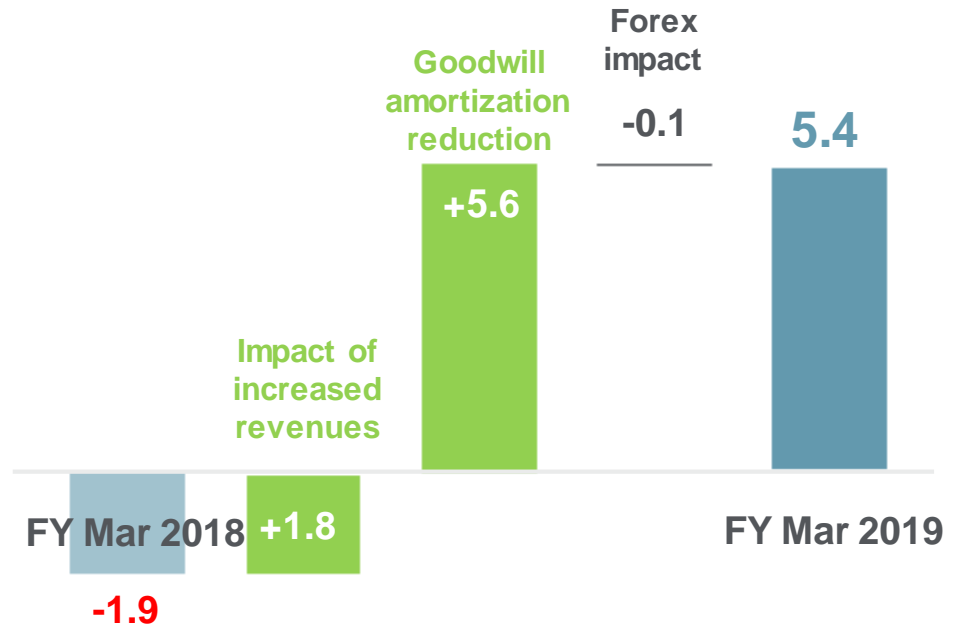
## Sales

(Unit: JPY 100 million)



## Operating Profit

(Unit: JPY 100 million)



FY Mar 2018

FY Mar 2019

FY Mar 2018

FY Mar 2019

\*SE Asia: Singapore, Malaysia, Thailand, Indonesia, Vietnam. / North Asia: China, Korea, Hong Kong, Taiwan. / Oceania/India: Australia, New Zealand, India.

# FY Mar 2019 Market Environment

Underlying tone of demand remains unchanged.  
The number of job vacancies is growing steadily.

Job Vacancies/ Nº. of Orders	As of March 2018		As of March 2019	
<b>Dispatch (‘Temp’) business</b> (Nº. of orders obtained)	Approx. 25,000 orders	▶	Approx. <b>28,000 orders</b>	<b>(+12%)</b>
<b>Placement Business</b> (Nº. of valid opportunities)	Approx. 72,000 opportunities	▶	Approx. <b>87,000 opportunities</b>	<b>(+21%)</b>
<b>Advertisement business</b> (Nº. of ‘doda’ job listings)	Approx. 61,000 listings	▶	Approx. <b>93,000 listings</b>	<b>(+52%)</b>
<b>Advertisement business</b> (Nº. of ‘an’ job listings)	Approx. 240,000 listings	▶	Approx. <b>330,000 listings</b>	<b>(+37%)</b>

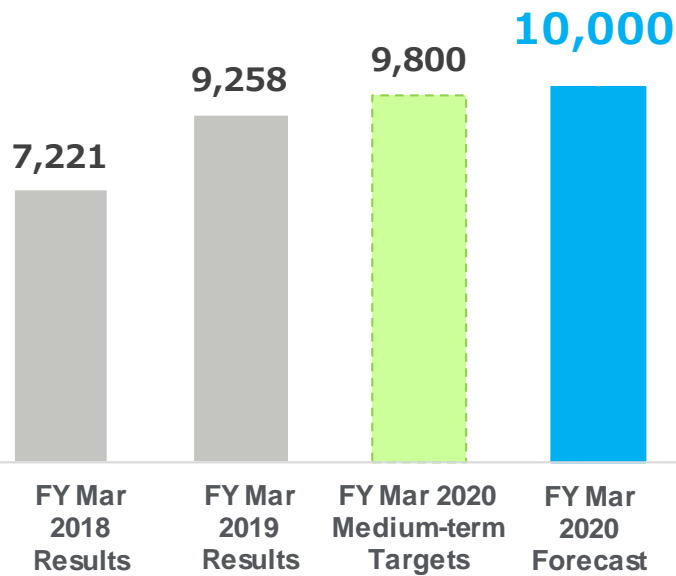
# **Part 2: Medium-term Management Plan Progress Status**

# Approximation of Results Target Figures

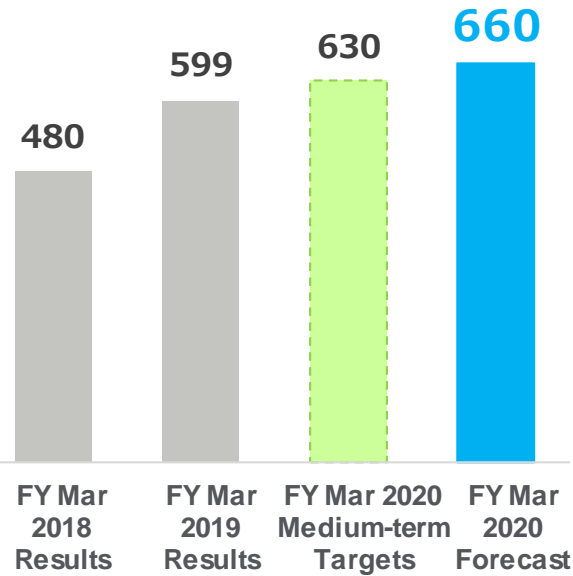
Medium-term Management Plan target figures are anticipated to be achieved during the final FY March 2020 fiscal period.

(Unit: JPY 100 million)

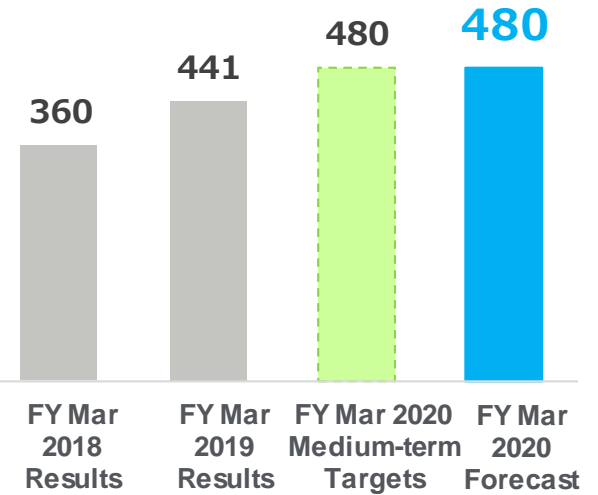
## Sales



## EBITDA



## Operating Profit



### Assumptions



GDP growth rate

Moderate growth (approx. 0.0 ~ 1.0%)



Ratio of job offers to job seekers

Continued demand due to economic growth/structural causes (approx. 1.0 ~ 1.2 multiple)

# Current Medium-term Management Plan Strategy × Priority Policies

The Medium-term Management Plan strategy will be continued, and the following priority policies used to promote each strategy:

Medium-term Management Plan (Same as the previous Medium-term Management Plan)		Priority Policies
Strategy 1	Enhancing Awareness of the PERSOL Group	Commence new advertising promotions (details shown later)
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 entire Group
Strategy 4	Enhancing Our Presence in the Asia-Pacific Region	Focus on improving profitability by accelerating organic growth, and promoting Post Merger Integration (PMI)
Strategy 5	Strengthening Business Platform and Expanding Service Domains through M&A	Proactively pursue M&A opportunities in the domestic Japan business, and launch new businesses (details shown later)

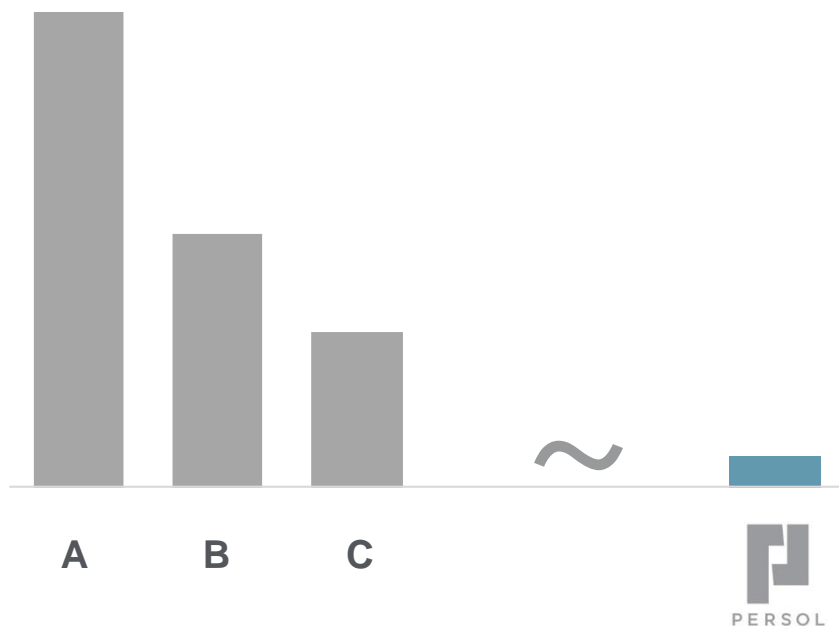
# Strategy 1: Priority Policy - Enhancing Awareness of the PERSOL Group



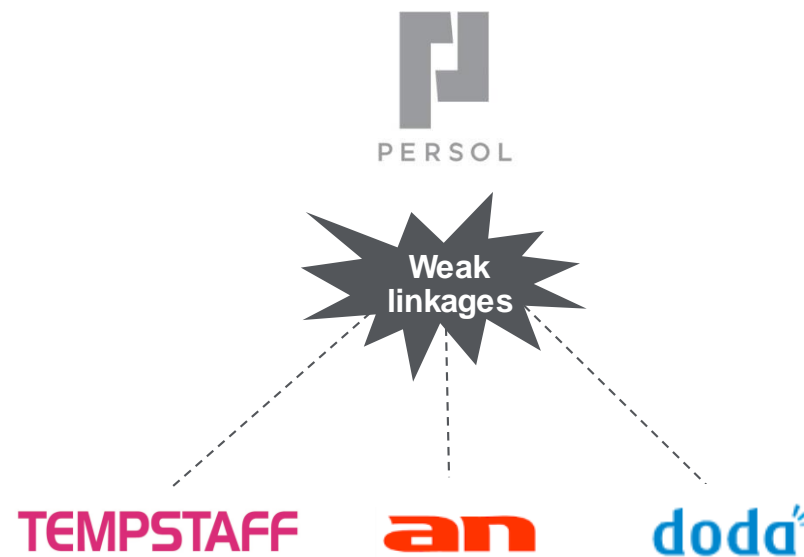
Just over 3 years since PERSOL was born. Challenges remain; even with a strengthening of positive sentiment towards PERSOL generated by advertising promotions used to date.

## Little understanding of PERSOL's business lines

When people hear "HR services" mentioned, what brands actually come to mind?



## Establishing linkages between service brands is proving to be a challenge



# Strategy 1: Priority Policy - Enhancing Awareness of the PERSOL Group

In PERSOL's new advertising promotion campaign ("Japanese HR General Manager") key words are leveraged to promote understanding of PERSOL Group businesses, and to create linkages between the service brands.





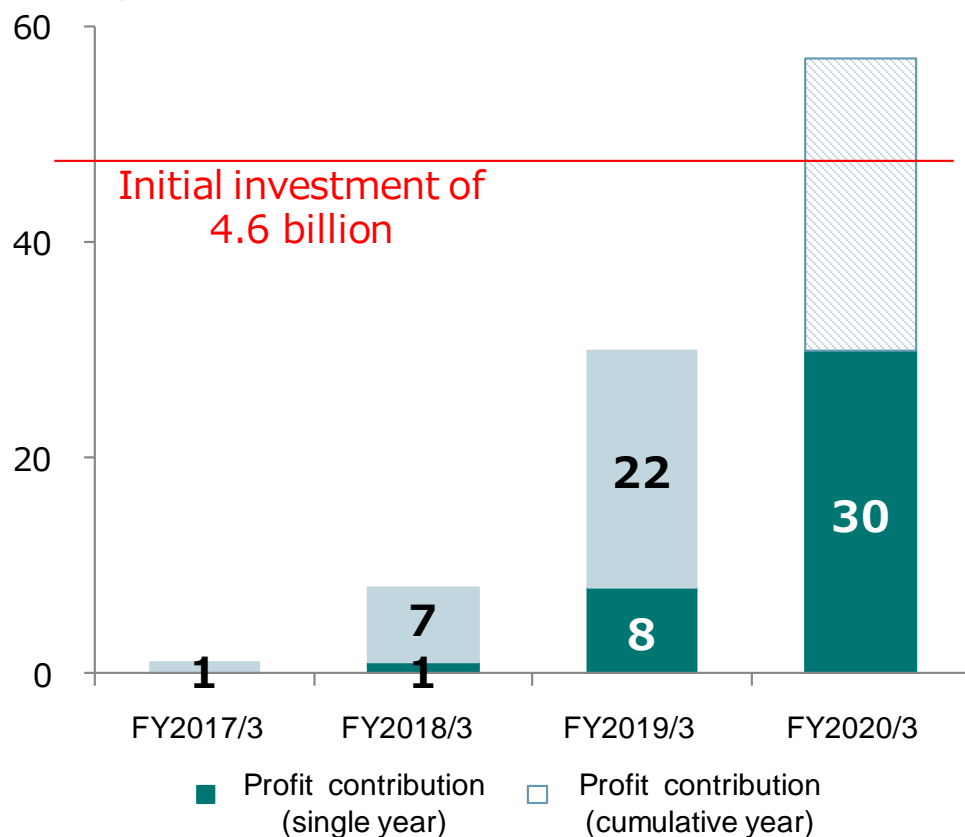
# Strategy 2: Priority Policy - Improve productivity by means of the core temp business "GENESIS" HRIS system

Profit contribution effect of 2.2 billion in FY March 2019

Expected to recover the initial investment of 4.6 billion in FY March 2020 as planned

(Unit: JPY 100 million)

## GENESIS investment effect



\*Effects include some BPR effects from before the introduction of GENESIS

### Result (FY March 2019)




- **The number of matching increased** as planned in Tokyo's 23 wards and central Osaka
- **Promote the division/specialization of tasks** (conversion to electronic bill, concentration of office work such as order entry duties)

### Plan (FY March 2020)

- **Established a matching center** in Kurume (Fukuoka) to improve the number of matching in the West Japan area
- **Further Promotion of the division/specialization of tasks** (expand contract work volume of Osaka area in Osaka center)

# Strategy 5: Priority Policy- M&A Strategies for Each “Market × Sector”

Following the strategy , implement M&A in existing domestic business areas and invest in new business areas

	Existing business sectors	New business sectors*
Japan Domestic Market	<p>Proactively consider &amp; proceed with opportunities as has been done to date.</p> <ul style="list-style-type: none"> <li>Avanti Staff Corporation becomes a PERSOL subsidiary.</li> <li>MOL Career Support, Ltd. business inherited by PERSOL.</li> </ul>	<p>Proactively proceed with Open Innovation/M&amp;A opportunities.</p> <ul style="list-style-type: none"> <li>New service “Sharefull” is launched</li> <li>Increased capital of JPY 1.5 billion in PERSOL INNOVATION FUND (PIF). (Cumulative total to date: JPY 2.5 billion)</li> <li>In FY March 2019 PIF invested in 4 companies. (Cumulative total to date: 15 companies)</li> </ul> <p>Examples of investments made in the past:</p> <div style="display: flex; justify-content: space-around; align-items: center;">    </div>
Overseas Market	<p>Profitability improvement is factored into progress of Post Merger Integration (PMI) activity.</p>	

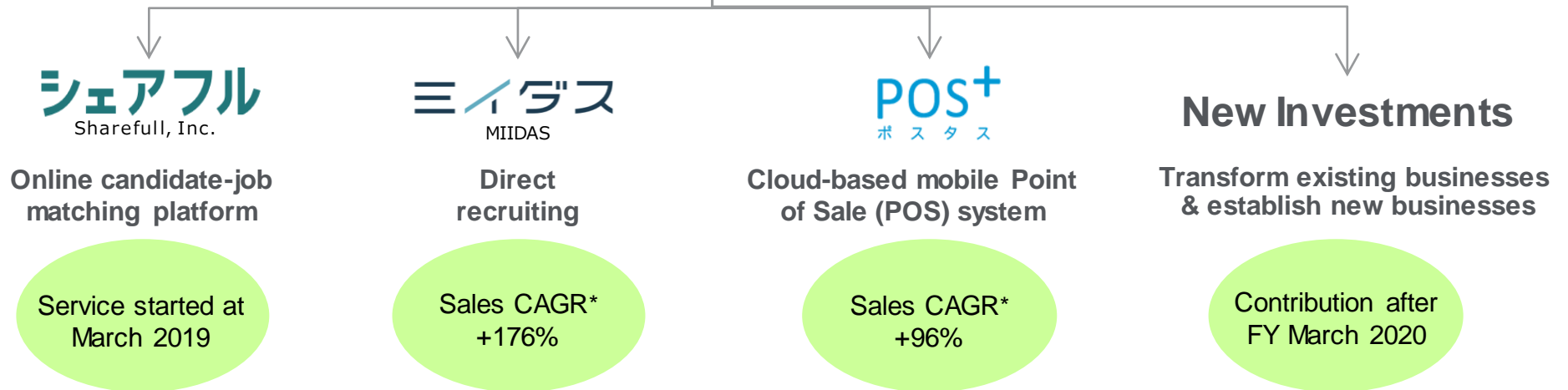
\*: PERSOL Group for its part anticipates that firms eligible for M&As are those that generate new business, and firms that enhance the services of existing Group businesses.

# Strategy 5: Priority Policy – Direction of Innovation/New Business Investments



Aim to establish businesses which form the core pillars for the next generation of PERSOL.  
JPY 2.5 billion in investments are scheduled for FY March 2020.

**JPY 2.5 billion in investments**  
are scheduled for FY March 2020  
(recorded as cost)



\*MIIDAS: CAGR from FY Mar 17 ~ FY Mar 19

POS+: CAGR from FY Mar 16 ~ FY Mar 19

# **Part 3: Results Forecasts FY Ending March 2020**

# FY Ending March 2020: Consolidated Results Forecasts

Being the final financial year of the current Medium-term Management Plan, the aim is for continued growth in results.

	FY Mar 2020 Full Year Forecast <sup>*1</sup> (*JPY 100 million)	Growth Rate (%)
<b>Sales</b>	<b>10,000</b>	<b>+8.0</b>
<b>EBITDA<sup>*2</sup></b>	<b>660</b>	<b>+10.1</b>
<b>Operating Profit</b>	<b>480</b>	<b>+8.8</b>
<b>Net Profit Attributable to Owners of Parent</b>	<b>275</b>	<b>+12.9</b>
<b>[Reference] Net Profit Prior to Amortization of Goodwill<sup>*3</sup></b>	<b>361</b>	<b>+9.5</b>
<b>Dividends</b>	<b>30 Yen</b>	<b>-</b>

\*1 : Assumed forex rate for FY2020/3 USD1=JPY 110.0, AUD1=JPY 80.0

\*2 : We expect the impact of applying IFRS16 in the PROGRAMMED segment (Impact is +1.9 billion yen assuming 1AUD=80 JPY)

\*3 : Net Profit Prior to Amortization of Goodwill : Profit attributable to owners of parent company + amortization of goodwill

# FY Ending March 2020 Forecasts: Temporary Staffing/BPO Segment



Sales growth will accelerate underpinned by strong demand and with a settling-down of the impact of revisions to Japan's Worker Dispatching ("Temp") Act.

Sales

**5,490**  
YoY+7.7%

Operating  
Profit

**265**  
YoY+10.5%

Operating  
Profit  
Ratio

**4.8%**  
YoY+0.1points

(Unit: JPY 100 million)

## Point 1

### Productivity enhancements (create time for staff management & sales activity)

- Accelerate the number of matches by expanding the deployment scope of the core "GENESIS" HRIS system, and establishing a new job/candidate matching center.
- Promote the division/specialization of tasks (expand contract work volume in Osaka center)

## Point 2

### Stronger staff management (move towards a standardized temp business structure model)

- Settle on a "standardized temp business structure model" that focuses on the increase in workers on open-ended contract arrangements (maintain worker deployment ratios at high levels).
- Aim to support the personal growth of individual workers by implementing worker evaluations while lifting wage levels.

## Point 3

### Revisions to Japanese laws are being handled proactively (handling the increase in workers on open-ended contracts and "same work same pay" transition)

- Proactively support workers transitioning to open-ended contracts (open-ended contract worker headcount +5,000 headcount, aim for an increase in unit billing prices to the same level as the previous year)
- Start communicating with client firms about handling the transition to the "same work same pay" principle. (Scheduled to commence from 2Q during this FY)

\*Impact on temp businesses resulting from the number of working days in a given period. (YoY -1.3%, -3 days) 1Q:-3 days, 2Q:±0 days, 3Q:-1 day, Q: +1 day

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# FY Ending March 2020 Forecasts: Temporary Staffing/BPO Segment (Calculating the Impact of N°. of Working Days)

Operating profit ratio of 5.3% after adjusting for impact of number of working days and Post Merger Integration (PMI) costs. (Exclude M&A effect)

(Unit: JPY 100 million)	FY March 2020 Forecasts	Impact of N°. of working days (YoY -3 days)	PMI Cost (If none)	After Adjustment
<b>Sales</b>	5,312	63	-	5,374
<b>Operating Profit</b>	265	11	10	285
<b>Operating Profit Ratio</b>	4.9%	-	-	5.3%

\*Sales are organic excluding M&A effect

# FY Ending March 2020 Forecasts: Recruiting Segment

Job-change market expansion boosts continuing high growth.

Ongoing diversification of “work” aims for multi-layering of services & advancement of business processes.



(Unit: JPY 100 million)

## Point 1

### Placement business enjoys continued high growth: +20%

- Provide overall support (not just piecemeal support) to individuals seeking to build careers.
- High growth of "doda plus" and improved productivity of consultants is giving rise to continued high growth.

## Point 2

### Ongoing investment aimed towards multi-layering of services

- Commence providing a new set of premium services (“iX”).
- Continue to invest in the media business (headcount, marketing, product investments).

## Point 3

### Advancement of business processes

- Investments aimed at utilizing technology in relation to selection processes and matching candidates/jobs.
- Advance and expand our services by utilizing BPR/RPA/AI.



# Review of PROGRAMMED (FY2019/3)

Australia's economy is growing albeit slower than long term average and the population continues to expand.

Staffing experienced some weakness in demand, due in part to globalisation, online sales and automation, reducing blue collar labour volumes in some industry sectors, but demand for maintenance is strong as more infrastructure gets built to service a growing population

## Staffing market environment

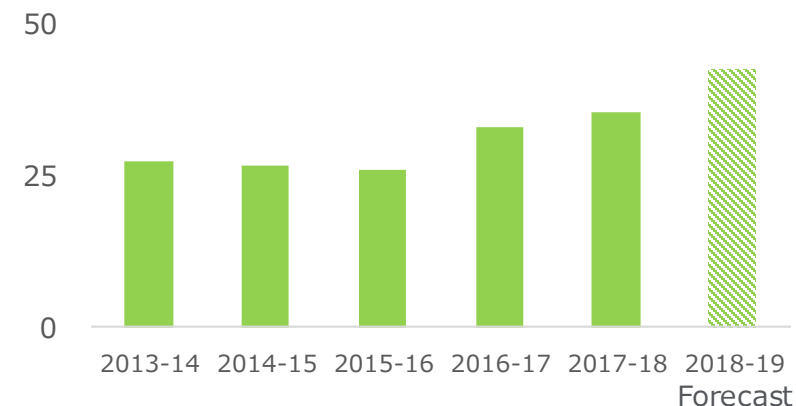
- Manufacturing, industrial, logistics and retail sectors are weaker due to a combination of factors including globalisation, online sales and automation.
- Mining sector remains solid as production expands.
- Infrastructure, health, construction, education and other sectors continue to grow.



## Maintenance market environment

- Large increases in public infrastructure investment are forecast due to stable population growth which leads to increased maintenance opportunities over time
- Aging existing infrastructure requires greater maintenance expenditures to maintain thus expanding maintenance services demand overtime

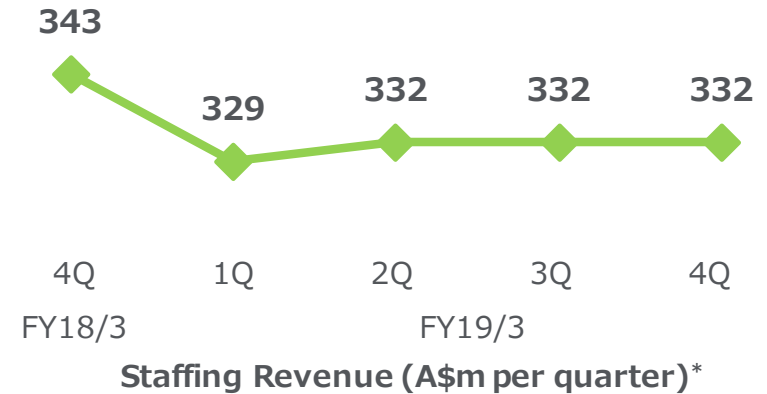
(\$ billion) **Total Infrastructure Funding in Australia\***



\*Prepared by PHD from Infrastructure Partnerships Australia

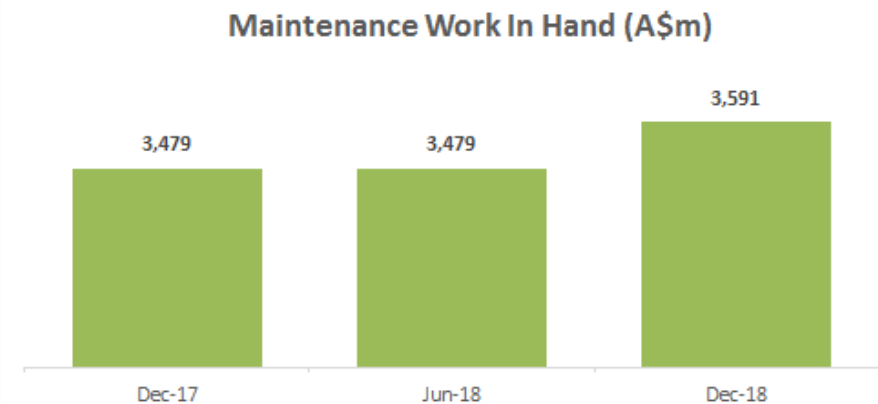
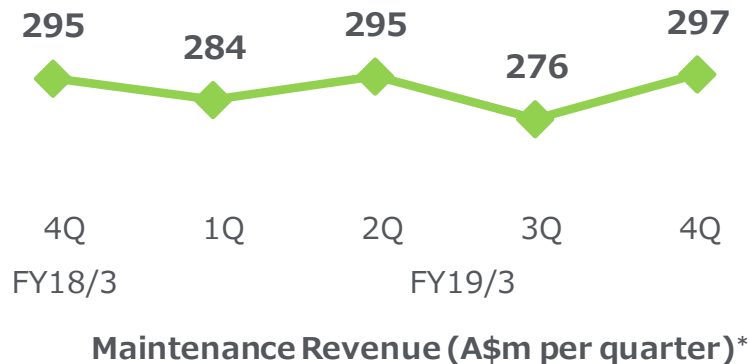
## Staffing

- In the Staffing business, demand in manufacturing, industrial, logistics and retail sectors (42% of revenue) was weaker.
- Mining sector was solid (22% of revenue) and infrastructure, health, construction, education and other sectors continue to expand (36% of revenue).
- A large contract ended in FY18.



## Maintenance

- In the Maintenance business, some reduction in government related expenditures compared to prior year however work in hand (total value of contracted revenue) has increased steadily in past year.
- Recent contract wins (eg airport and public housing) started contributing from 4Q.



# FY Ending March 2020 Forecasts: PROGRAMMED Segment

Focus on expand in growth sectors of the economy e.g. infrastructure, construction, mining, education and health; improved sales and marketing of the full value of our services; and become more efficient and easier to do business with through enhanced business systems and increased use of technology



(Unit: JPY 100 million)

## Point 1

### Expand in growth sectors of the economy

- Focus on growth sectors of Infrastructure, Construction, Mining, Education, Health

## Point 2

### Increased focus on selling the full value of our services

- Improved sales to customers in staffing across branch network
- Improve marketing and tendering as maintenance sales pipeline expands
- Sell the value of safety, regulatory compliance, online tools and reporting and a large skilled workforce

## Point 3

### Improve business systems and use of technology

- Improve work efficiency, contract management and reporting
- Launch online direct placement recruitment platform

※Assumed forex rate for FY2020/3 AUD1=JPY 80.0

# FY Ending March 2020 Forecasts: PERSOLKELLY Segment

Continued high growth boosted by external factors.

Aiming for continuous growth by solidifying the business base.



## Point 1

### Focus on priority areas and locations experiencing high GDP growth

- Hold onto top market share in Singapore/Malaysia.
- Aim to increase market share in Indonesia, Vietnam, and Thailand.

## Point 2

### Enhance productivity by deploying the ATS core system

- Aim for improving profitability by improving productivity in countries where ATS is introduced.
- Deploy ATS in countries where not yet deployed.

## Point 3

### Consolidation of business foundation for further growth

- Formulate & implement common HR policies.
- Continually enhance governance & compliance structures.

※Assumed forex rate for FY2020/3 USD1=JPY 110.0

# FY Ending March 2020 Forecasts: ITO Segment

Commit to enhancing individual & organizational productivity via business process innovation.  
Continue to improve treatment of employees while aiming to improve profitability.



**Point 1**

## Leverage product shifts to switchover to a high-revenue model

- Aim to become top RPA deployment vendor in the industry by using deployment experience strengths gained to date.
- Strengthen the alliance with the Temp/BPO Segment, and implement the diffusion of 'digital labor' (RPA associates).

**Point 2**

## Continue investing in improving treatment of employees (JPY 700 million for the full year)

- Focus on sustained growth by investing JPY 700 million this FY to lift employee retention.
- Whilst aiming to improve retention, aim to improve profitability by enhancing productivity.

**Point 3**

## Additional utilization of technology (“standard-bearer of digitalization”)

- Being a professional enhancer of productivity, digitalize the value-add provided to stakeholders from outsourcing/consulting outcomes amassed to date, and lift profitability.

# FY Ending March 2020 Forecasts: Engineering Segment

Leverage technical expertise as a means to expand the business sector, and aim to become the technical group of choice amongst technicians.



## Point 1

### Expand transactions with new & key client corporations

- Use technical expertise as a means to increase diffusion of technology to other clients.
- Build a stable business base to expand the client portfolio so there is no reliance on a defined set of clients.

## Point 2

### Expand development capabilities that drive business growth

- Continue to actively recruit human resources by strengthening hiring capabilities and train engineers by providing growth opportunities.
- Expand total development capacity by expanding transactions with partner companies

## Point 3

### Acquire advanced technologies and promote technology accumulation

- Accelerate acquisition and accumulation of various advanced technologies for motorization / unmanned operation that is a cross-industry trend
- Start responding to the automotive industry “CASE \*” and strategically acquire AI, IoT, robotics technology, etc.

\*CASE : A term for four technological elements to create new added value for automobiles, such as automated driving and mobility services.  
 “Connected, Autonomous, Shared, Electric”

# Appendix

# FY March 2019: Consolidated Results Summary

Unit: JPY 100 million	FY Mar 2018		FY Mar 2019		
	Full Year	Ratio (%)	Full Year	Ratio (%)	Growth (%)
<b>Net Sales</b>	<b>7,221</b>	<b>100.0</b>	<b>9,258</b>	<b>100.0</b>	<b>+28.2</b>
<b>EBITDA*</b>	<b>480</b>	<b>6.7</b>	<b>599</b>	<b>6.5</b>	<b>+24.9</b>
<b>Operating Profit</b>	<b>360</b>	<b>5.0</b>	<b>441</b>	<b>4.8</b>	<b>+22.3</b>
<b>Net Profit Attributable to Owners of Parent</b>	<b>77</b>	<b>1.1</b>	<b>243</b>	<b>2.6</b>	<b>+213.5</b>

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



# FY March 2019: Summary by Segment

Unit: JPY 100 million	FY Mar 2019					
	Net Sales		EBITDA		Operating Profit	
	Full Year	Growth (%)	Full Year	Growth (%)	Full Year	Growth (%)
Temporary Staffing/BPO	5,095	+5.9	279	+9.1	239	+8.5
Recruiting	858	+17.8	183	+28.8	155	+43.9
PROGRAMMED*	2,014	-	67	-	8	-
PERSOLKELLY	761	+15.7	13	+23.2	5	+388.6
ITO	336	+16.1	24	-15.0	17	-24.8
Engineering	293	+5.6	33	+12.9	27	+16.8
Other	57	+32.5	-4	-46.7	-5	-42.3
Adjustments	-158	-	2	-	-7	-
<b>TOTAL</b>	<b>9,258</b>	<b>+28.2</b>	<b>599</b>	<b>+24.9</b>	<b>441</b>	<b>+22.3</b>

\*Figures are prior to elimination of internal transactions

# FY March 2019: Consolidated Balance Sheet

Unit: JPY 100 million

	End of FY Mar 2018	End of FY Mar 2019	
	Results	Results	Increase/ Decrease
<b>Assets</b>	<b>4,023</b>	<b>3,708</b>	<b>-314</b>
<b>Current Assets</b>	<b>2,305</b>	<b>2,098</b>	<b>-207</b>
<b>Non-current Assets</b>	<b>1,717</b>	<b>1,609</b>	<b>-107</b>
<b>Liabilities</b>	<b>2,423</b>	<b>1,999</b>	<b>-424</b>
<b>Current Liabilities</b>	<b>2,171</b>	<b>1,449</b>	<b>-721</b>
<b>Non-Current Liabilities</b>	<b>252</b>	<b>549</b>	<b>297</b>
<b>Net assets</b>	<b>1,599</b>	<b>1,709</b>	<b>109</b>
<b>Equity capital</b>	<b>1,455</b>	<b>1,555</b>	<b>100</b>
<b>Non-controlling interests</b>	<b>144</b>	<b>153</b>	<b>8</b>

# FY March 2019: Consolidated Cash-flow Statement

Unit: JPY 100 million

	End of FY Mar 2018	End of FY Mar 2019	
	Results	Results	Increase/ Decrease
Cash flow from operating activities	<b>350</b>	<b>423</b>	<b>73</b>
Cash flow from Investment activities	<b>-667</b>	<b>-151</b>	<b>515</b>
Cash flow from finance activities	<b>501</b>	<b>-481</b>	<b>-983</b>
Increase (decrease) in cash & cash equivalents	<b>201</b>	<b>-205</b>	<b>-407</b>
Balance of cash & cash equivalents etc. at end of period	<b>895</b>	<b>689</b>	<b>-205</b>

# FY March 2019 : Dividend

Unit: JPY	FY Mar 2018		FY Mar 2019	
	Interim	Year-end	Interim	Year-end
Dividend per Share	9 yen	10 yen	10 yen	15 yen
Dividend Ratio (Consolidated)	57.1%		24.0%	

# FY March 2020 Consolidated forecasts

Unit: JPY 100 million

	FY Mar 2020 Forecast					
	1st half	Ratio (%)	Growth (%)	Full Year	Ratio (%)	Growth (%)
Net sales	4,835	100.0	+6.9	10,000	100.0	+8.0
EBITDA	302	6.2	+7.1	660	6.6	+10.1
Operating Profit	213	4.4	+4.1	480	4.8	+8.8
Net Profit Attributable to Owners of Parent	120	2.5	+0.1	275	2.8	+12.9
[Reference] Net Profit Prior to Amortization of Goodwill	163	3.4	-	361	3.6	+9.5

# FY March 2020 Consolidated forecasts : Net Sales by Segment

Unit: JPY 100 million

	FY Mar 2020 Forecast			
	1st half	Growth (%)	Full Year	Growth (%)
Temporary Staffing/BPO	2,656	+6.9	5,490	+7.7
Recruiting	470	+14.5	990	+15.3
PROGRAMMED	1,005	-1.9	2,040	+1.3
PERSOLKELLY	410	+13.5	840	+10.4
ITO	194	+26.2	420	+24.8
Engineering	145	+6.2	310	+5.6
Other	50	+90.9	110	+91.3
Adjustments	-95	-	-200	-
<b>TOTAL</b>	<b>4,835</b>	<b>+6.9</b>	<b>10,000</b>	<b>+8.0</b>

\*Figures are prior to elimination of internal transactions

# FY March 2020 Consolidated forecasts : EBITDA by Segment

Unit: JPY 100 million

	FY Mar 2020 Forecast			
	1st half	Growth (%)	Full Year	Growth (%)
Temporary Staffing/BPO	136	+4.6	304	+8.9
Recruiting	106	+18.6	222	+20.8
PROGRAMMED	41	+28.3	84	+25.0
PERSOLKELLY	7	-2.9	15	+11.2
ITO	10	+22.7	31	+24.5
Engineering	14	+19.2	35	+3.9
Other	-6	-85.9	-11	-56.6
Adjustments	-6	-	-20	-
<b>TOTAL</b>	<b>302</b>	<b>+6.7</b>	<b>660</b>	<b>+10.1</b>

\*Figures are prior to elimination of internal transactions

# FY March 2020 Consolidated forecasts : Operating Profit by Segment



Unit: JPY 100 million

	FY Mar 2020 Forecast			
	1st half	Growth (%)	Full Year	Growth (%)
Temporary Staffing/BPO	117	+5.3	265	+10.5
Recruiting	87	+15.1	182	+17.0
PROGRAMMED	3	+37.3	10	+18.9
PERSOLKELLY	4	+11.9	10	+82.2
ITO	7	+53.5	24	+41.0
Engineering	11	+25.2	30	+8.6
Other	-6	-79.5	-13	-57.0
Adjustments	-10	-	-28	-
<b>TOTAL</b>	<b>213</b>	<b>+4.1</b>	<b>480</b>	<b>+8.8</b>

\*Figures are prior to elimination of internal transactions



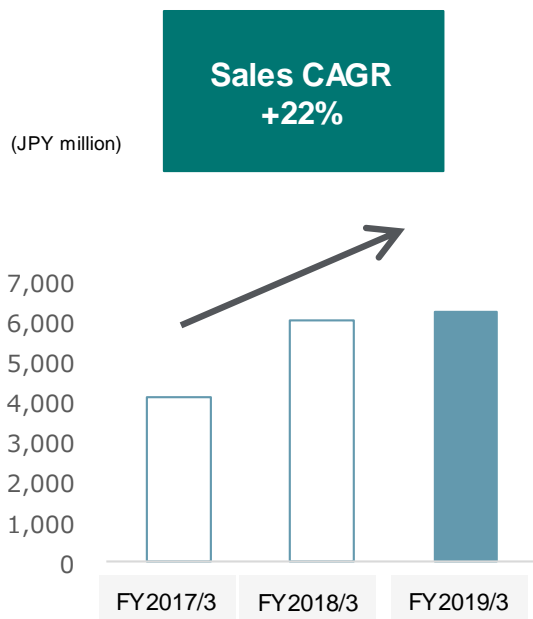
# Strategy 3: Priority Policy - Expand Group Synergies

Deepen linkages within the Group, and aim to grow results generated by cooperation within the Group

## Results from cooperation within the Group

Linkages within the Group are deepening.  
Sales CAGR increased by 22% during FY2017/3~ FY2019/3.

Sales trends due to opportunities introduced from within the Group



## Number of companies using multiple services

Temp labor, placement services, BPO etc. The number of client firms using multiple services is steadily increasing.

Trend of number of companies using multiple services

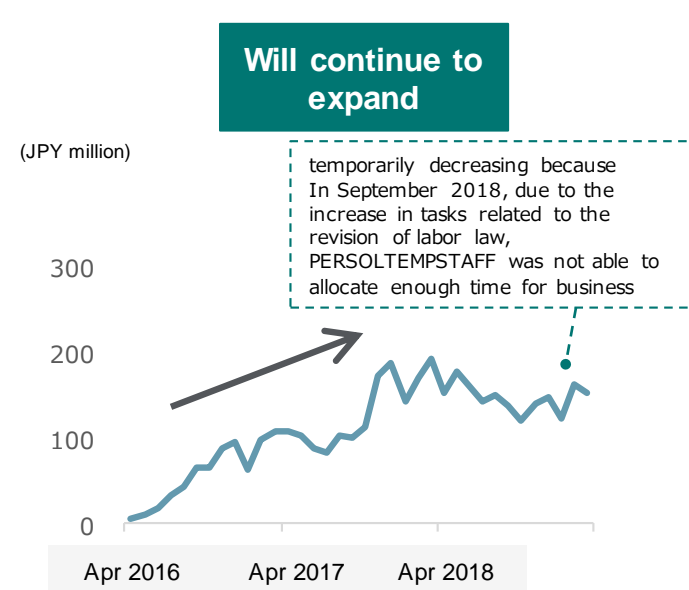


※ Along with the change in the data aggregation method, we changed the number described in the earnings briefing materials dated Nov 12, 2018

## TEMPSTAFF × DODA

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

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



# Legal Revisions are Anticipated during FY Mar 2020

Less impact compared to changes in FY March 2019

	<u>2019/3 Results</u>	<u>2020/3 Forecasts</u>	
<b>Open-ended contract temp worker headcount</b> <small>(Cumulative total*1)</small>	Approx. <b>10,000 headcount</b> <small>(40%)</small>	Approx. <b>5,000 headcount</b> <small>(42%)</small>	▶ Aim for an increase in unit billing prices to the same level as the previous year Stable supply of temps to client corporations
<b>Client corporations hire directly</b>	Approx. <b>4,000 headcount</b> <small>(16%)</small>	Approx. <b>2,000 headcount</b> <small>(17%)</small>	▶ Growth of placement fee earnings
<b>New temp clients</b>	Approx. <b>11,000 headcount</b> <small>(44%)</small>	Approx. <b>5,000 headcount</b> <small>(42%)</small>	▶ Provide employment support for a smooth transition to subsequent temp assignments
-----			
<b>Total of temp workers subject to law change</b>	Approx. <b>25,000 headcount</b> <small>(100%)</small>	Approx. <b>12,000 headcount</b> <small>(100%)</small>	

\*1: Number of temporary workers who transitioned to open-ended employment contracts as a consequence of revisions to Japan's Labor Contract Act and Japan's Worker Dispatching ('Temp') Act (excludes 2,600 open-ended contract temps who previously transitioned).

# Outline of “same work same pay”

To eliminate the unfair treatment difference between regular and non-regular employees  
 Implemented in April 2020 for large companies and April 2021 for SMEs <sup>1\*</sup>

		① Basic salary + bonus	② Various allowances <sup>*3</sup>	③ Welfare, education & training <sup>*4</sup>
<b>Part-time workers</b> <b>Fixed-term workers</b> (Excluding temporary workers)		<b>Align to regular employees</b> (Consider ability, experience, performance, years of work, degree of contribution, etc.)	<b>Align to regular employees</b>	<b>Align to regular employees</b>
<b>Temporary workers</b>	<b>Even and balanced at “Dispatched company”</b> (Dispatched company equal & balanced method)	<b>“Average wage of general workers engaged in similar work”<sup>*2</sup> or more</b>	<b>Align to regular employees of temporary staffing agency</b>	<b>Align to regular employees of temporary staffing agency</b>
	<b>Choose one</b> <b>Even and balanced at “temporary staffing agency”</b> (Labor-management agreement method)			

\*1 : For part-time workers and fixed-term workers, total amount of capital or total investment is less than 300 million yen (less than 50 million yen for retail business or service industry, less than 100 million yen for wholesale business), or 300 workers or less always used (retail Less than 50 in the case of industry, less than 100 in the case of wholesale or service industry)

\*2 : Determined based on wages by type of work, ability, experience, and wage differences by region (※ The Ministry of Health, Labour and Welfare plans to notify the wages of each type of work from June to July every year)

\*3 : Positional allowance, full-time allowance, overtime allowance rate, late-night / holiday allowance increase rate, commuting allowance, business trip expenses, meal allowance, single-person leave allowance, community allowance, etc.

\*4 : Corporate housing for transferees, Keio leave, sick leave, non-legal paid leave or other leave, education and training, etc. (※ Give equal opportunity to use lunch facilities, break rooms, changing rooms at the dispatch destination)

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

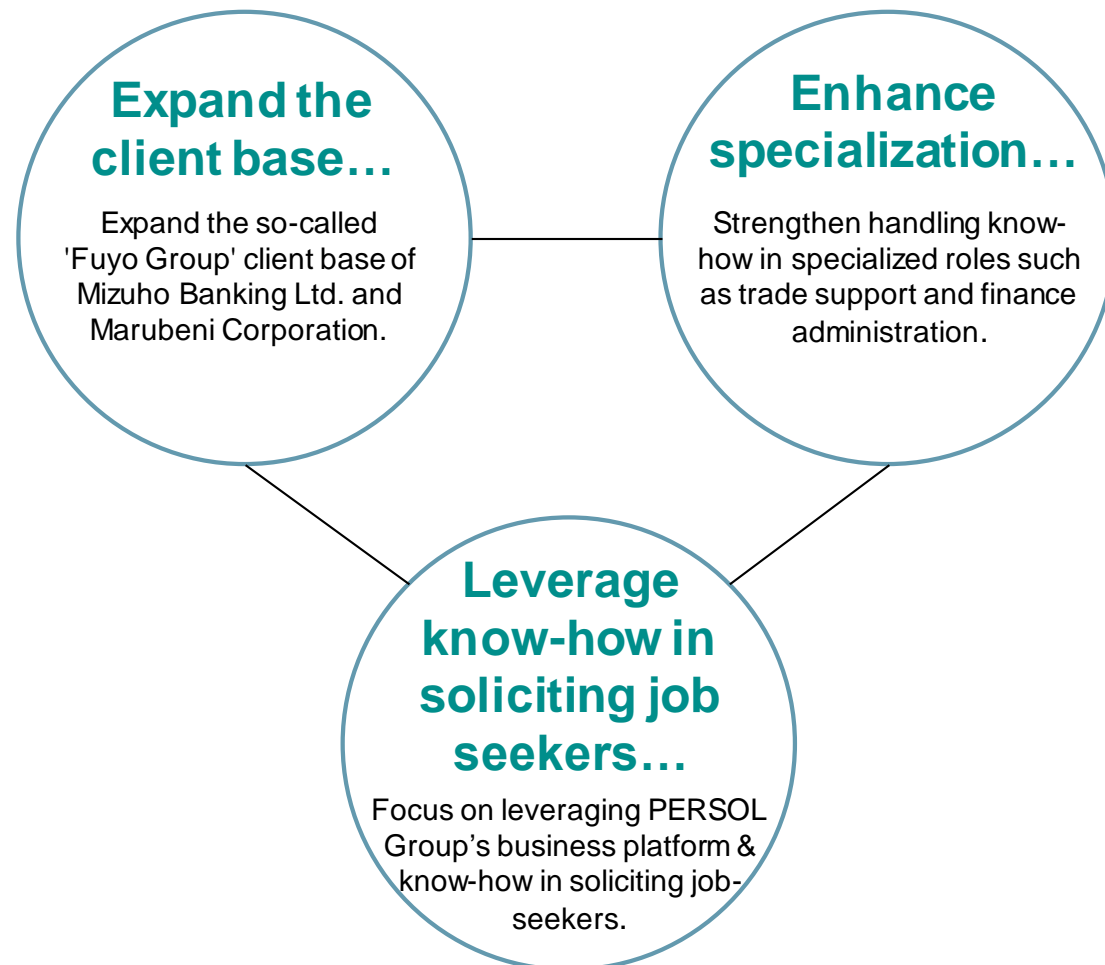


We aim to further enhance corporate value by utilizing a client base such as Fuyo Group and the know-how of financial affairs and trade affairs cultivated by Avanti staff and the know-how relating to soliciting job seekers by PERSOL group

## Outline of share acquisition

<b>Corporate Profile</b>	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)
<b>Transaction Outline</b>	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.

## 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 PHD deems rational, and the information at hand as of 15 May 2019 which are not meant in any way by PHD to be assurances that plans 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 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.