



**Briefing on Consolidated Financial
Results for the 1st Quarter Ended
June 30, 2019**

PERSOL HOLDINGS CO., LTD.
August 9, 2019

2020/3 1Q : Summary of Consolidated Business Results

Sales increase by 4.1% due to stable growth in existing business and M&A effect
 Profits decreased mainly due to the impact of working days in the Temp/BPO business (YoY-3 days, -1 billion yen) and an cost increase due to personnel expansion including new graduates

(Unit: million yen)

	2019/3 Results		2020/3 Results			2020/3 Forecasts*		
	1Q	Ratio(%)	1Q	Ratio(%)	YoY(%)	Progress rate -1st half (%)	1st Half	Full Year
Sales	225,929	100.0	235,218	100.0	+4.1	48.7	482,500	990,000
Gross Profit	50,604	22.4	53,826	22.9	+6.4	-	-	-
EBITDA*	15,401	6.8	14,416	6.1	-6.4	48.5	29,700	61,000
OP income	11,530	5.1	10,057	4.3	-12.8	48.4	20,800	43,000
Profit attributable to owners of parent	6,631	2.9	5,466	2.3	-17.6	56.9	9,600	21,700
[Reference] Net Profit Prior to Amortization of Goodwill*	8,787	3.9	7,600	3.2	-13.5	54.7	13,900	30,300

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

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

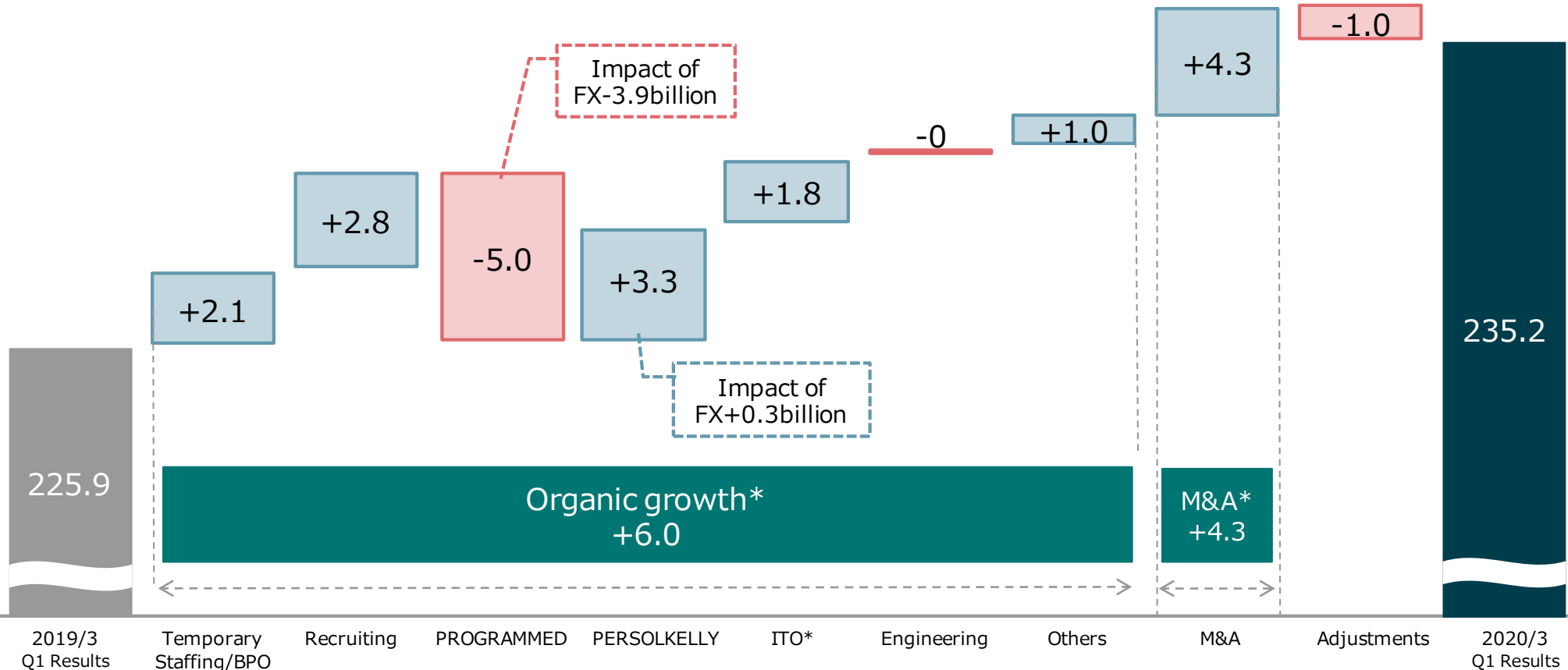
*2020/3 Forecast is the August 1, 2019 revised forecast.

2020/3 1Q: Sales Analysis

Sales grew +4.1% with organic growth of existing business +2.7% and M&A effect of Avanti staff

Also organic growth of existing business excluding the impact of exchange rate is +4.2%

(Unit: billion yen)



*M&A targets(dates indicate consolidation as subsidiaries)

*M&A effect

*Organic growth (existing businesses)

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

:Avanti Staff (Jan 2019)

:The figures are shown the financial results composed of the new companies by M&A. (Internal transactions have not been eliminated)

:The figures are shown the financial results excluding the new companies by M&A. (Internal transactions have not been eliminated)

2020/3 1Q: Sales by Segment

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

Sales in PROGRAMMED decreased due to the delay in the shift to the growth area in staffing business and the exchange rate

(Unit: million yen)

	2019/3	2020/3 Results		2020/3 Forecasts*		
	1Q	1Q	YoY(%)	Progress rate - 1st half (%)	1st Half	Full Year
Temporary Staffing/BPO	124,940	131,429	+5.2	49.5	265,600	549,000
Recruiting	20,738	23,549	+13.6	51.2	46,000	89,000
PROGRAMMED	51,495	46,444	-9.8	46.2	100,500	204,000
PERSOLKELLY	17,254	20,568	+19.2	50.2	41,000	84,000
ITO	7,181	8,986	+25.1	46.3	19,400	41,500
Engineering	6,439	6,373	-1.0	44.0	14,500	31,000
Others	1,418	2,486	+75.2	49.7	5,000	11,000
Adjustment	-3,539	-4,619	-	-	-9,500	-19,500
TOTAL	225,929	235,218	+4.1	48.7	482,500	990,000

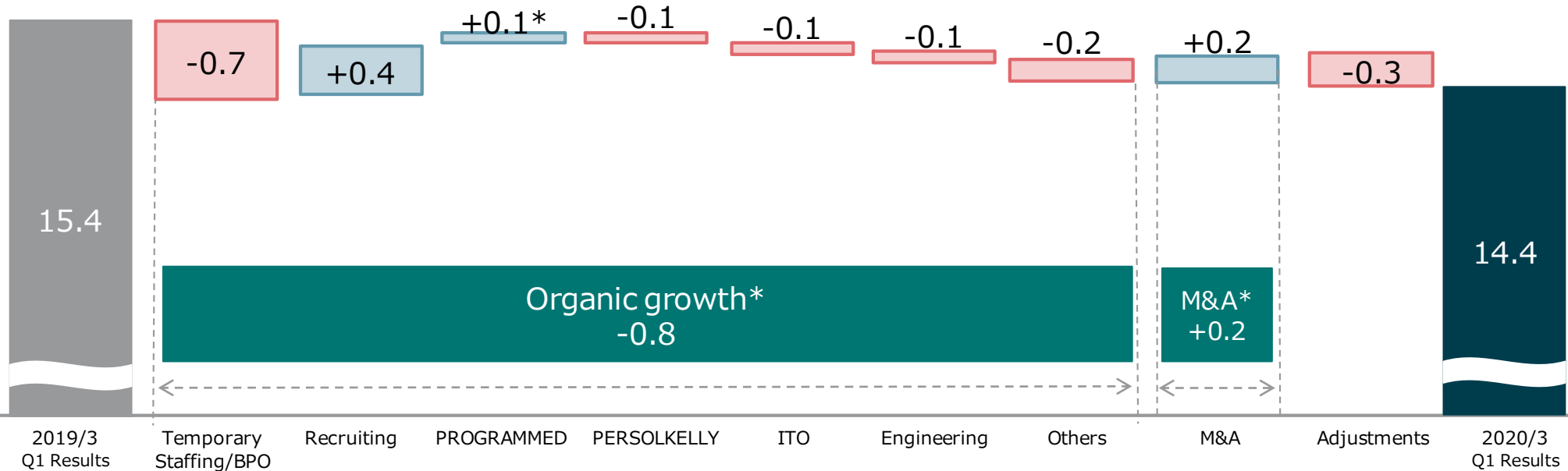
*Internal transactions have not been eliminated from the figures

*2020/3 Forecast is the August 1, 2019 revised forecast.

2020/3 1Q: EBITDA Analysis

Profit decreased mainly due to the impact of working days in the Temp/BPO business (YoY-3 days, -1 billion yen) and cost increase due to personnel expansion including new graduates

(Unit: billion yen)



*M&A targets(dates indicate consolidation as subsidiaries)

*M&A effect

*Organic growth (existing businesses)

*Impact of applying IFRS16 (YoY+0.4 billion yen in 1Q) in the PROGRAMMED segment is included

:Avanti Staff (Jan 2019)

:The figures are shown the financial results composed of the new companies by M&A. (Internal transactions have not been eliminated)

:The figures are shown the financial results excluding the new companies by M&A. (Internal transactions have not been eliminated)

2020/3 1Q: EBITDA by Segment

Profit in PROGRAMMED increased due to the impact of +0.4 billion from the adoption of IFRS16* (new standard for lease accounting)

(Unit: million yen)

	2019/3	2020/3 Results		2020/3 Forecasts*		
	1Q	1Q	YoY(%)	Progress rate - 1st half (%)	1st Half	Full Year
Temporary Staffing/BPO	7,835	7,310	-6.7	53.8	13,600	30,400
Recruiting	4,915	5,414	+10.1	53.6	10,100	17,400
PROGRAMMED	1,752	1,893	+8.1	46.2	4,100	8,400
PERSOLKELLY	106	-19	-118.1	-2.8	700	1,500
ITO	103	-96	-194.0	-9.7	1,000	2,900
Engineering	288	113	-60.9	8.1	1,400	3,500
Others	101	-142	-240.4	-	-600	-1,100
Adjustment	297	-56	-	-	-600	-2,000
TOTAL	15,401	14,416	-6.4	48.5	29,700	61,000

*Internal transactions have not been eliminated from the figures

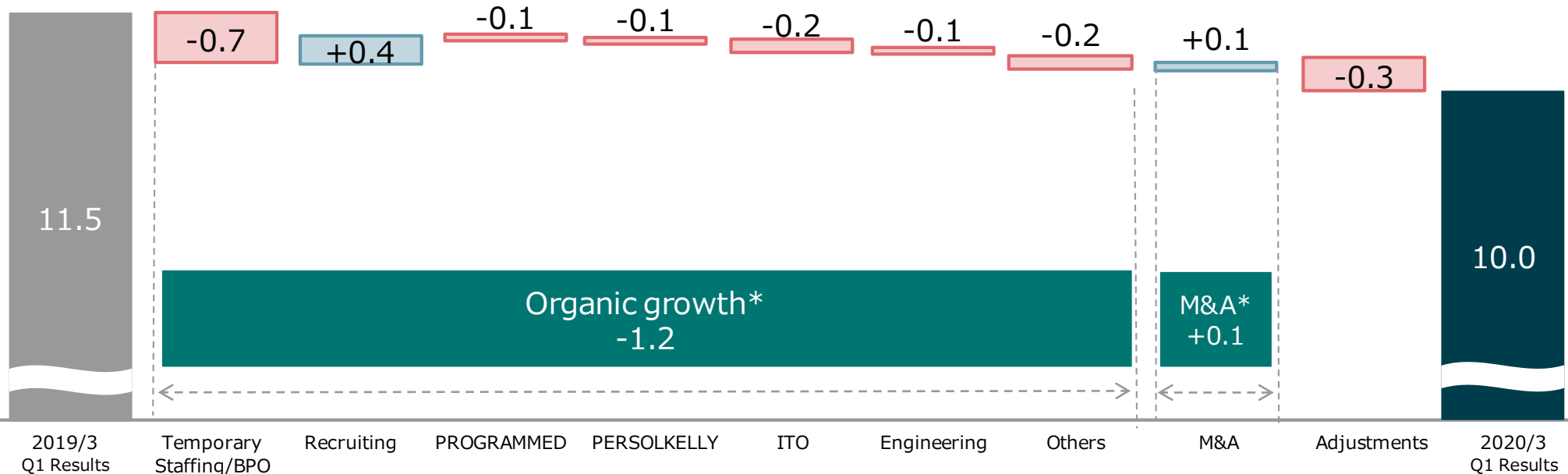
*2020/3 Forecast is the August 1, 2019 revised forecast.

*Impact of applying IFRS16 (YoY+0.4 billion yen in 1Q) in the PROGRAMMED segment is included

2020/3 1Q: OP income Analysis

Profit decreased mainly due to the impact of working days in the Temp/BPO business (YoY-3 days, -1 billion yen) and cost increase due to personnel expansion including new graduates

(Unit: billion yen)



*M&A targets(dates indicate consolidation as subsidiaries)

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2020/3 1Q: OP income by Segment

Profit decreased mainly due to the impact of working days in the Temp/BPO business (YoY-3 days, -1 billion yen) and cost increase due to personnel expansion including new graduates

(Unit: million yen)

	2019/3	2020/3 Results		2020/3 Forecasts*		
	1Q	1Q	YoY(%)	Progress rate - 1st half (%)	1st Half	Full Year
Temporary Staffing/BPO	6,897	6,311	-8.5	53.9	11,700	26,500
Recruiting	4,222	4,703	+11.4	57.4	8,200	13,400
PROGRAMMED	234	73	-68.8	24.4	300	1,000
PERSOLKELLY	-76	-230	-66.9	-57.5	400	1,000
ITO	-65	-345	-81.1	-49.4	700	2,200
Engineering	146	11	-92.5	1.0	1,100	3,000
Others	84	-196	-333.7	-	-600	-1,300
Adjustment	87	-268	-	-	-1,000	-2,800
TOTAL	11,530	10,057	-12.8	48.4	20,800	43,000

*Internal transactions have not been eliminated from the figures

*2020/3 Forecast is the August 1, 2019 revised forecast.

2020/3 1Q: Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2019		As of June 30, 2019		
	Results	Ratio(%)	Results	Ratio(%)	Change
Assets	370,839	100.0	365,717	100.0	-5,122
Current assets	209,845	56.6	201,072	55.0	-8,772
(Cash and deposits)	69,029	18.6	60,621	16.6	-8,407
Non-current assets	160,994	43.4	164,644	45.0	3,650
(Right of trademark and goodwill)	101,832	27.5	99,966	27.3	-1,865
Liabilities	199,914	53.9	191,509	52.4	-8,404
Current liabilities	144,919	39.1	142,793	39.0	-2,125
(Current portion of loans payable)	15,045	4.1	24,611	6.7	9,565
Non-current liabilities	54,995	14.8	48,716	13.3	-6,279
(Long-term loans payable)	25,748	6.9	15,728	4.3	-10,020
(Bonds payable)	20,000	5.4	20,000	5.5	0
Net assets	170,925	46.1	174,207	47.6	3,282
Owners' capital	155,593	42.0	158,682	43.4	3,088
(Capital stock)	17,479	4.7	17,479	4.8	0
(Capital surplus)	20,396	5.5	20,396	5.6	0
(Legal retained earnings)	125,677	33.9	127,633	34.9	1,956
Minority interests	15,331	4.1	15,525	4.2	193

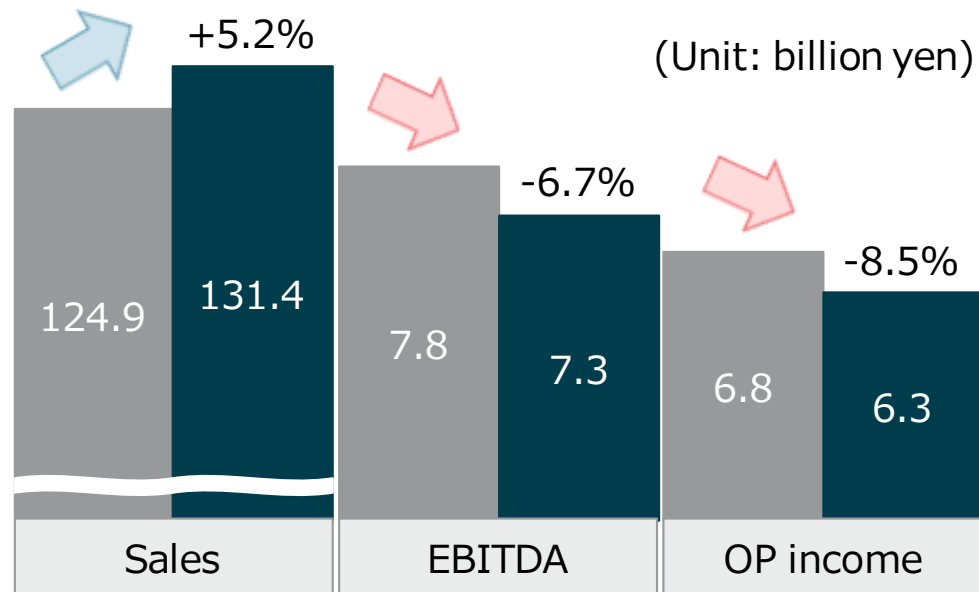
<Trademark rights/ goodwill>
Decreases due to amortization of goodwill

<Current liabilities>
Decrease in accrued income taxes and Provision for bonuses

<Non-current liabilities>
Decrease in Long-term loans payable and increase in lease liability as a result of adopting IFRS 16

<Retained earnings>
Increases due to increased profit.

2020/3 1Q Transition of Business Results by Segments ① Temporary Staffing/BPO



2020/3 1Q : Highlights

- Less working days (-3 days YOY) due to long term leave caused by the change of the Japanese era name in May
- Despite the effects of the working days, revenues increased due to strong demand for human resources underpinned by structural shortages of labor in addition to the effects of M&A (Avanti Staff Corporation commenced being reflected in the results from 4Q last year)
- Although profitability improvements by billing rate increases continued, overall profitability decrease due to the effects of decreased working days and personnel cost increase.

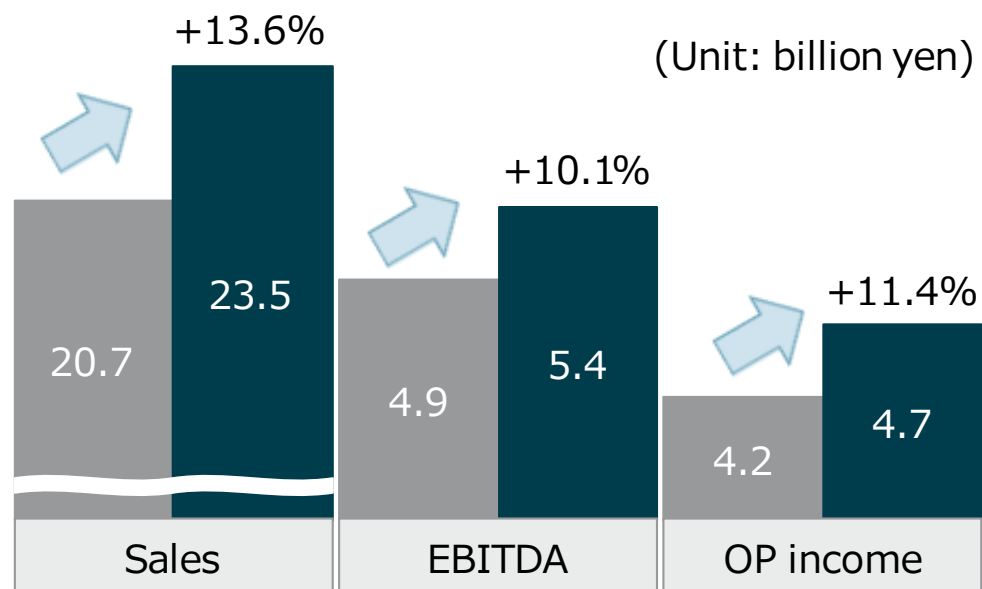
(Unit: million yen)

	2019/3	2020/3 Results		2020/3 Forecasts		
	1Q	1Q	YoY(%)	Progress rate - 1st half (%)	1st Half	Full Year
Sales	124,940	131,429	+5.2	49.5	265,600	549,000
EBITDA	7,835	7,310	-6.7	53.8	13,600	30,400
EBITDA margin (%)	6.3	5.6	-	-	5.1	5.5
OP income	6,897	6,311	-8.5	53.9	11,700	26,500
OP income ratio (%)	5.5	4.8	-	-	4.4	4.8

*Internal transactions have not been eliminated from the figures

*See the "Factbook for the First Quarter Ended June 30, 2019" released on the website on the same date for the quarterly results

2020/3 1Q Transition of Business Results by Segments ② Recruiting



2020/3 1Q : Highlights

- Owing to the continued robust demand from client companies and changes in the awareness of individuals regarding changing jobs mainly by the younger generation, results have been driven by the permanent placement business and for-hire/candidate solicitation advertising business.
- Despite having increases in strengthening deployment of personnel to handle robust demands, the effect of increased revenue resulted in increased profit.
- In handling the rapid expansion of the organization up from the previous period, the challenge is structural organization.
- Termination of the advertising business "an" has been decided (Announced Aug. 1)

(Unit: million yen)

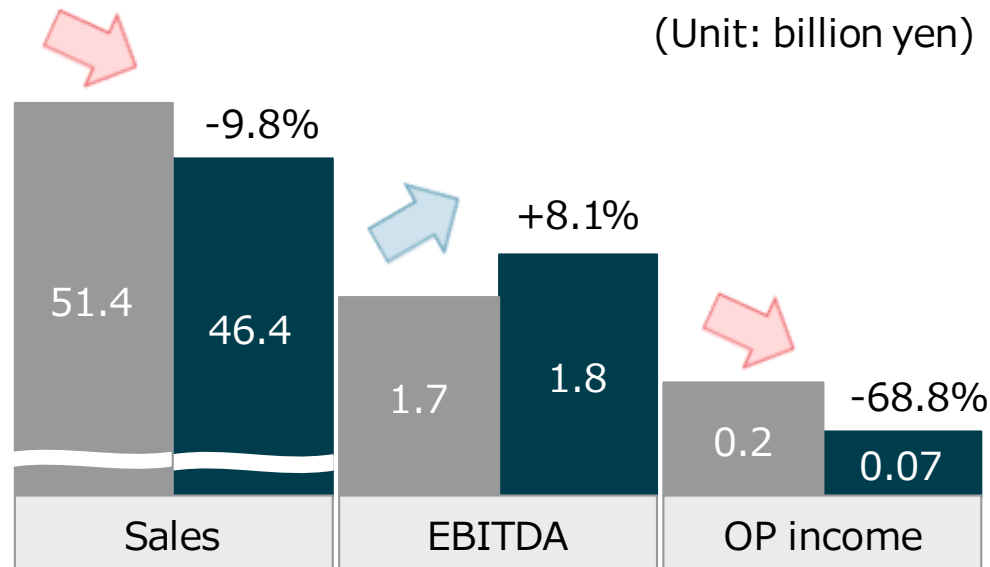
	2019/3	2020/3 Results		2020/3 Forecasts*		
	1Q	1Q	YoY(%)	Progress rate - 1st half (%)	1st Half	Full Year
Sales	20,738	23,549	+13.6	51.2	46,000	89,000
EBITDA	4,915	5,414	+10.1	53.6	10,100	17,400
EBITDA margin (%)	23.7	23.0	-	-	22.0	19.6
OP income	4,222	4,703	+11.4	57.4	8,200	13,400
OP income ratio (%)	20.4	20.0	-	-	17.8	15.1

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2020/3 1Q Transition of Business Results by Segments ③ PROGRAMMED



2020/3 1Q : Highlights

- Exchange rate has a negative impact on business results
FY20/3 1Q: 1AUD = 78.5 JPY, FY19/3 1Q: 1AUD = 85.2 JPY
Sales YoY-9.8%=Local currency -2.1% & impact of FX-7.8%
- Staffing: Local currency sales YoY-6.3%
Due to lower demand from some customers as result of slowing local economy
- Maintenance: Local currency sales YoY +2.4%
Securing new long term facility management contracts partially offset by lower revenues in painting business which has been impacted by economy
- Ignoring the impact of IFRS 16 (YoY+0.4 billion yen in 1Q), EBITDA was down due to lower Staffing revenues and higher workers compensation costs
- Operating profit has also impacted by exchange rate differences

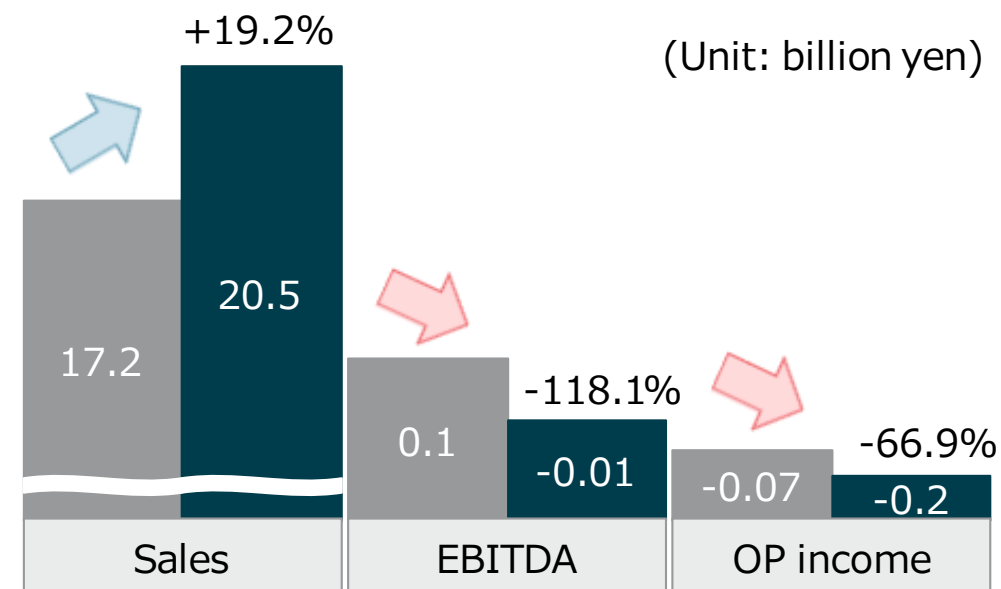
(Unit: million yen)

	2019/3	2020/3 Results		2020/3 Forecasts		
	1Q	1Q	YoY(%)	Progress rate - 1st half (%)	1st Half	Full Year
Sales	51,495	46,444	-9.8	46.2	100,500	204,000
EBITDA	1,752	1,893	+8.1	46.2	4,100	8,400
EBITDA margin (%)	3.4	4.1	-	-	4.1	4.1
OP income	234	73	-68.8	24.4	300	1,000
OP income ratio (%)	0.5	0.2	-	-	0.3	0.5

*Internal transactions have not been eliminated from the figures

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2020/3 1Q Transition of Business Results by Segments ④ PERSOLKELLY



2020/3 1Q : Highlights

- GDP growth rate of APAC countries has maintained high levels and sales showed a strong trend underpinned by a strong market environment.
- 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.
- On the other hand, adoption of core systems have not proceeded as planned in Australia and the drop in work productivity has resulted in the big reduction of operating income.

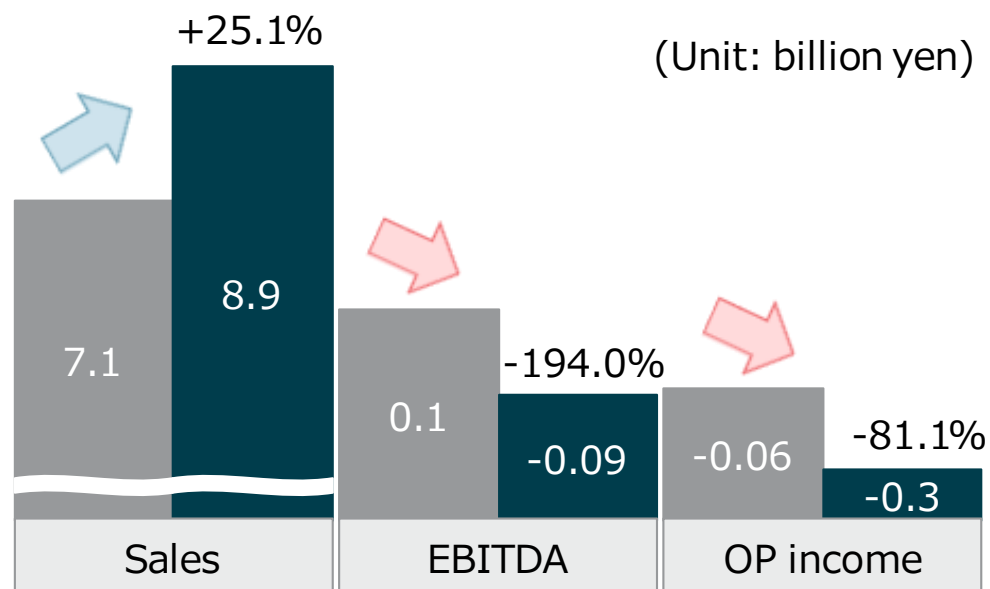
(Unit: million yen)

	2019/3	2020/3 Results		2020/3 Forecasts		
	1Q	1Q	YoY(%)	Progress rate - 1st half (%)	1st Half	Full Year
Sales	17,254	20,568	+19.2	50.2	41,000	84,000
EBITDA	106	-19	-118.1	-2.8	700	1,500
EBITDA margin (%)	0.6	-0.1	-	-	1.7	1.8
OP income	-76	-230	-66.9	-57.5	400	1,000
OP income ratio (%)	-0.4	-1.1	-	-	1.0	1.2

*Internal transactions have not been eliminated from the figures

*See the "Factbook for the First Quarter Ended June 30, 2019" released on the website on the same date for the quarterly results

2020/3 1Q Transition of Business Results by Segments ⑤ ITO



2020/3 1Q : Highlights

- The trend was for a continued healthy investment appetite in system related services etc. amongst existing corporate clients.
- Increase in high value-added project such as SI related services, outsourcing services etc. in addition to growth in the company's product sales has contributed to increase in revenue.
- On the other hand, due to increase in costs associated with improving treatment for employee retention and for new hires, profit declined.

(Unit: million yen)

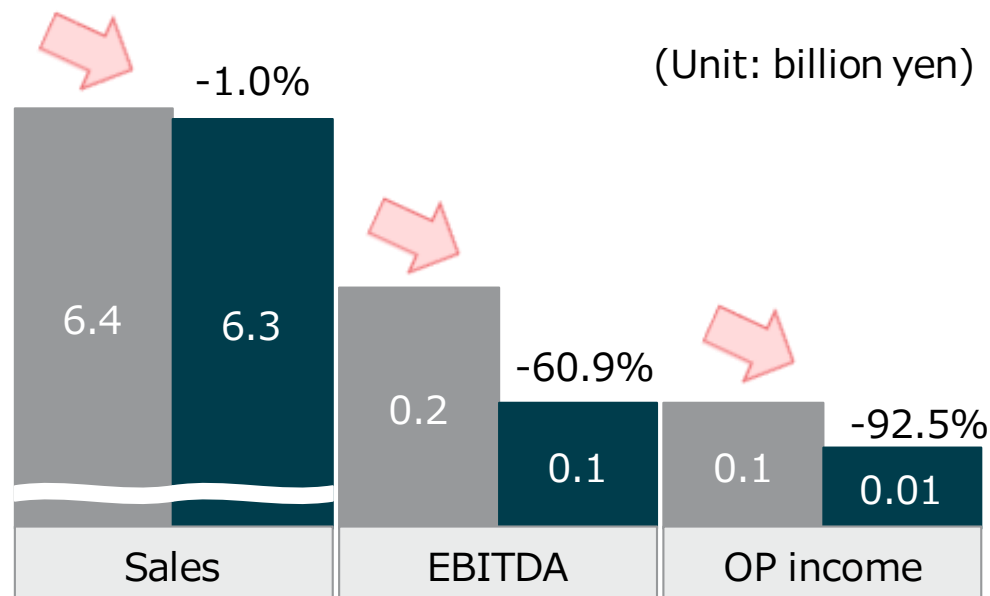
	2019/3	2020/3 Results		2020/3 Forecasts*		
	1Q	1Q	YoY(%)	Progress rate - 1st half (%)	1st Half	Full Year
Sales	7,181	8,986	+25.1	46.3	19,400	41,500
EBITDA	103	-96	-194.0	-9.7	1,000	2,900
EBITDA margin (%)	1.4	-1.1	-	-	5.2	7.0
OP income	-65	-345	-81.1	-49.4	700	2,200
OP income ratio (%)	-0.9	-3.9	-	-	3.6	5.3

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*2020/3 Forecast is the August 1, 2019 revised forecast.

*See the "Factbook for the First Quarter Ended June 30, 2019" released on the website on the same date for the quarterly results

2020/3 1Q Transition of Business Results by Segments ⑥ Engineering



2020/3 1Q : Highlights

- Despite the effects of higher unit prices due to improvements in development productivity, sales declined because of the lower sales in the electronics field affected by worsening market conditions in China
- Market conditions remain uncertain and will continue to be monitored
- Profit decreased due to a temporary decline in occupancy rate due to changes in market conditions, while hiring progressed steadily, especially for new graduates

(Unit: million yen)

	2019/3	2020/3 Results		2020/3 Forecasts		
	1Q	1Q	YoY(%)	Progress rate - 1st half (%)	1st Half	Full Year
Sales	6,439	6,373	-1.0	44.0	14,500	31,000
EBITDA	288	113	-60.9	8.1	1,400	3,500
EBITDA margin (%)	4.5	1.8	-	-	9.7	11.3
OP income	146	11	-92.5	1.0	1,100	3,000
OP income ratio (%)	2.3	0.2	-	-	7.6	9.7

*Internal transactions have not been eliminated from the figures

*See the "Factbook for the First Quarter Ended June 30, 2019" released on the website on the same date for the quarterly results

2020/3 1Q Transition of Business Results by Segments ⑦ Others/Adjustment



(Unit: million yen)

Others	2019/3	2020/3 Results		2020/3 Forecasts		
	1Q	1Q	YoY(%)	Progress rate - 1st half (%)	1st Half	Full Year
Sales	1,418	2,486	+75.2	49.7	5,000	11,000
EBITDA	101	-142	-240.4	-	-600	-1,100
EBITDA margin (%)	7.2	-5.8	-	-	-12.0	-10.0
OP income	84	-196	-333.7	-	-600	-1,300
OP income ratio (%)	5.9	-7.9	-	-	-12.0	-11.8

(Unit: million yen)

Adjustment	2019/3	2020/3 Results		2020/3 Forecasts*		
	1Q	1Q	YoY(%)	Progress rate - 1st half (%)	1st Half	Full Year
Sales	-3,539	-4,619	-	-	-9,500	-19,500
EBITDA	297	-56	-	-	-600	-2,000
EBITDA margin (%)	-	-	-	-	-	-
OP income	87	-268	-	-	-1,000	-2,800
OP income ratio (%)	-	-	-	-	-	-

*Internal transactions have not been eliminated from the figures

*2020/3 Forecast is the August 1, 2019 revised forecast.

*See the "Factbook for the First Quarter Ended June 30, 2019" 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.

FY March 2020 Consolidated forecasts (After Aug 1, 2019 revision)

We have revised the forecast on Aug 1st due to the end of "an" business
It reflects only the impact of the end of the "an" business and has not reviewed the performance of existing businesses.

(Unit:JPY million)

	FY Mar 2020 Forecast					
	1st half	Ratio (%)	Growth (%)	Full Year	Ratio (%)	Growth (%)
Net sales	482,500	100.0	+6.7	990,000	100.0	+6.9
EBITDA	29,700	6.2	+5.3	61,000	6.2	+1.7
Operating Profit	20,800	4.3	+1.7	43,000	4.3	-2.5
Net Profit Attributable to Owners of Parent	9,600	2.0	-19.9	21,700	2.2	-10.9
[Reference] Net Profit Prior to Amortization of Goodwill*	13,900	2.9	-	30,300	3.1	-8.1

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

FY March 2020 Consolidated forecasts : Sales (After Aug 1, 2019 revision)

We have revised the forecast on Aug 1st due to the end of "an" business
It reflects only the impact of the end of the "an" business and has not reviewed the performance of existing businesses.

(Unit:JPY million)

	FY Mar 2020 Forecast			
	1st half	Growth (%)	Full Year	Growth (%)
Temporary Staffing/BPO	265,600	+6.9	549,000	+7.7
Recruiting	46,000	+12.1	89,000	+3.7
PROGRAMMED	100,500	-1.9	204,000	+1.3
PERSOLKELLY	41,000	+13.5	84,000	+10.4
ITO	19,400	+26.2	41,500	+23.3
Engineering	14,500	+6.2	31,000	+5.6
Other	5,000	+90.9	11,000	+91.3
Adjustments	-9,500	-	-19,500	-
TOTAL	482,500	+6.7	990,000	+6.9

*Figures are prior to elimination of internal transactions

FY March 2020 Consolidated forecasts : EBITDA (After Aug 1, 2019 revision)

We have revised the forecast on Aug 1st due to the end of "an" business
It reflects only the impact of the end of the "an" business and has not reviewed the performance of existing businesses.

(Unit:JPY million)

	FY Mar 2020 Forecast			
	1st half	Growth (%)	Full Year	Growth (%)
Temporary Staffing/BPO	13,600	+4.6	30,400	+8.9
Recruiting	10,100	+13.0	17,400	-5.3
PROGRAMMED	4,100	+28.3	8,400	+25.0
PERSOLKELLY	700	-2.9	1,500	+11.2
ITO	1,000	+22.7	2,900	+16.4
Engineering	1,400	+19.2	3,500	+3.9
Other	-600	-85.9	-1,100	-56.6
Adjustments	-600	-	-2,000	-
TOTAL	29,700	+5.3	61,000	+1.7

*Figures are prior to elimination of internal transactions

FY March 2020 Consolidated forecasts : Operating Profit (After Aug 1, 2019 revision)



We have revised the forecast on Aug 1st due to the end of "an" business
It reflects only the impact of the end of the "an" business and has not reviewed the performance of existing businesses.

(Unit:JPY million)

	FY Mar 2020 Forecast			
	1st half	Growth (%)	Full Year	Growth (%)
Temporary Staffing/BPO	11,700	+5.3	26,500	+10.5
Recruiting	8,200	+8.5	13,400	-13.9
PROGRAMMED	300	+37.3	1,000	+18.9
PERSOLKELLY	400	+11.9	1,000	+82.2
ITO	700	+53.5	2,200	+29.2
Engineering	1,100	+25.2	3,000	+8.6
Other	-600	-79.5	-1,300	-57.0
Adjustments	-1,000	-	-2,800	-
TOTAL	20,800	+1.7	43,000	-2.5

*Figures are prior to elimination of internal transactions

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 9 August 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.