



# Consolidated Financial Results of 1<sup>st</sup> quarter of the Fiscal Year Ending in March 2021 (FY2020 1Q) and the New Mid-term Management Plan

**PERSOL HOLDINGS CO., LTD.**  
**August 12, 2020**

# Today's Agenda

1. Summary of the Consolidated Financial Results for 1Q of FY2020
2. Our Vision Toward 2030
3. Mid-term Management Plan 2023
  - The Review of Previous Mid-term Management Plan
  - Overall Strategy
  - Corporate Governance Structure
  - Financial Strategy
4. Financial Forecast for FY2020

# Summary of the Consolidated Financial Results for 1Q of FY2020

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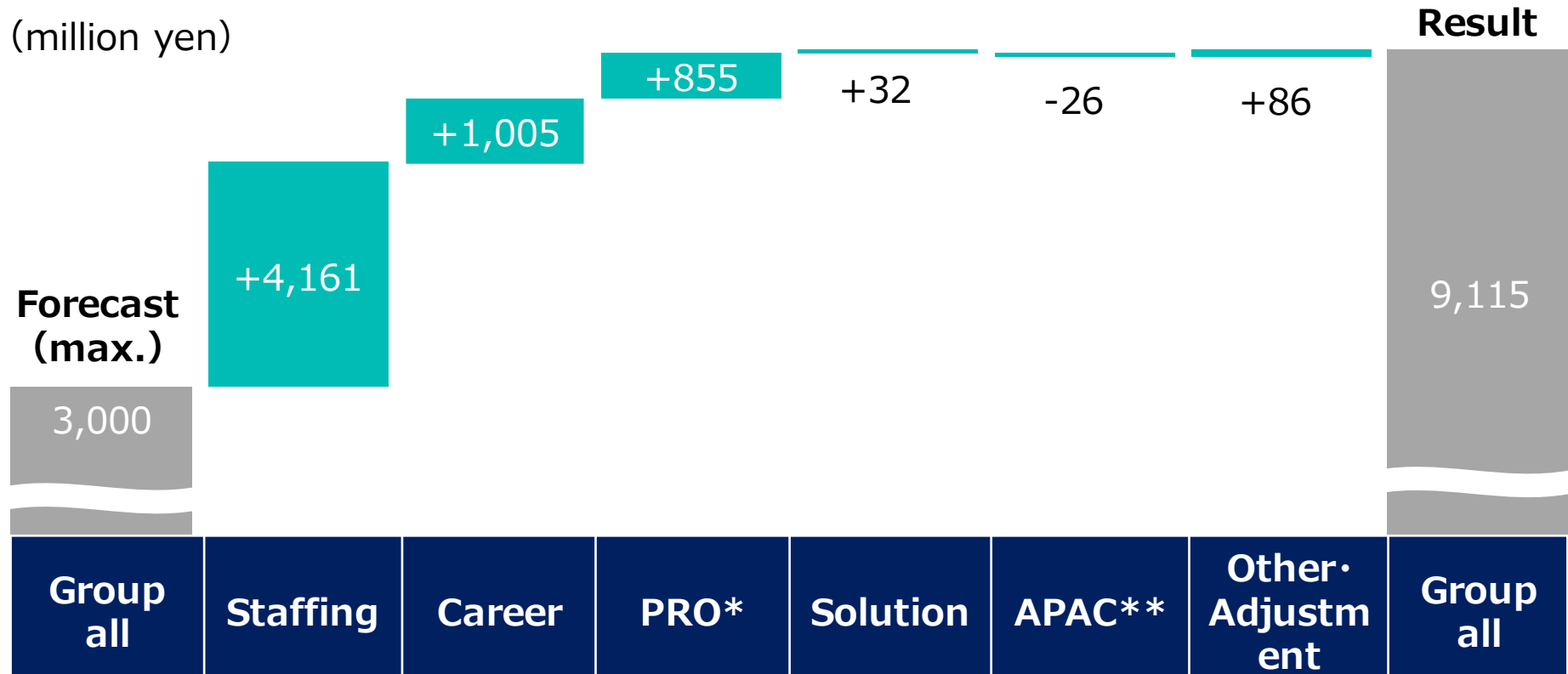
Net sales was mostly the same level of the previous 1Q because sales of some SBUs were decreased due to COVID-19 despite the increase of sales in Staffing SBU, etc. Whereas, operating profit was decreased because of profit drop, especially in Career SBU.

(million yen)	FY2019 Q1	FY2020 Q1	% Change	(Reference) FY2020 Q1 Forecast		
<b>Net sales</b>	235,218	<b>238,222</b>	1.3%	216,100	~	223,700
<b>Operating profit</b>	10,057	<b>9,115</b>	-9.4%	1,500	~	3,000
<b>OP Margin</b>	4.3%	<b>3.8%</b>	-0.5pt	0.7%	~	1.3%
<b>EBITDA</b>	14,416	<b>13,389</b>	-7.1%	5,400	~	6,900
<b>Net profit*</b>	5,466	<b>4,670</b>	-14.6%		-	
<b>Adjusted EPS (yen)</b>	34.66	<b>30.70</b>	-11.4%		-	

\*Net profit attributable to owners of parent company

# Summary of the Financial Results for 1Q of FY2020 (Operating Profit Upward Factors)

- ◆ Operating profit was JPY 9.1 billion which was significantly higher than forecast for Q1 of JPY 1.5 billion to JPY 3.0 billion announced in May 2020.
- ◆ Especially in Staffing SBU, operating profit was increased significantly by approx. JPY 4.1 billion compared to the forecast because i) number of temporary staffs who took leaves was much lesser than expected and ii) sales was increased and profitability was improved in BPO as a result of increasing of outsourcing projects.



\*: Professional Outsourcing

\*\* : Asia Pacific

# Sales by each SBU for 1Q of FY2020

(million yen)	FY2019 Q1	FY2020 Q1 (FCST)	FY2020 Q1	Factors
<b>Staffing</b>	122,189	114,200 ~ 119,200	<b>130,678</b>	<ul style="list-style-type: none"> <li>Temporary Staffing business was remained firm because the number of temporary workers who took leaves was lesser than expected.</li> <li>The number of orders for new projects increased in BPO sector.</li> </ul>
<b>Career</b>	23,549	14,000 ~ 15,000	<b>16,827</b>	<ul style="list-style-type: none"> <li>Sales declined due to termination of "an" business" (in Nov. 2019).</li> <li>After number of orders were declined significantly in April, the number of orders was on a recovery trend in May and June.</li> </ul>
<b>Professional Outsourcing</b>	24,008	24,700 ~ 25,700	<b>26,415</b>	<ul style="list-style-type: none"> <li>Outsourcing business steadily grew, mainly in IT area.</li> <li>Business in engineering area maintained the same level of performance as the same period of previous year.</li> </ul>
<b>Solution</b>	1,351	700 ~ 1,100	<b>952</b>	<ul style="list-style-type: none"> <li>Sales declined mainly due to application of the principle method for revenue recognition of job search application business. (impact amount: -JPY 0.38 billion)</li> </ul>
<b>Asia Pacific (APAC)</b>	67,012	<b>65,000</b>	<b>65,980</b>	<ul style="list-style-type: none"> <li>Temporary staffing business in Singapore and maintenance business in Australia showed robustness on a local currency basis.</li> </ul>
<b>Other</b>	1,731	2,500 ~ 2,700	<b>2,364</b>	<ul style="list-style-type: none"> <li>Sales increased as a result of the effects of M&amp;A after acquisition of training business in July 2019.</li> <li>Sales did not reach the forecast as a result of the effects of COVID-19.</li> </ul>
<b>Adjustment</b>	- 4,624	<b>-5,000</b>	<b>-4,995</b>	—

# Operating Profit by each SBU for 1Q of FY2020

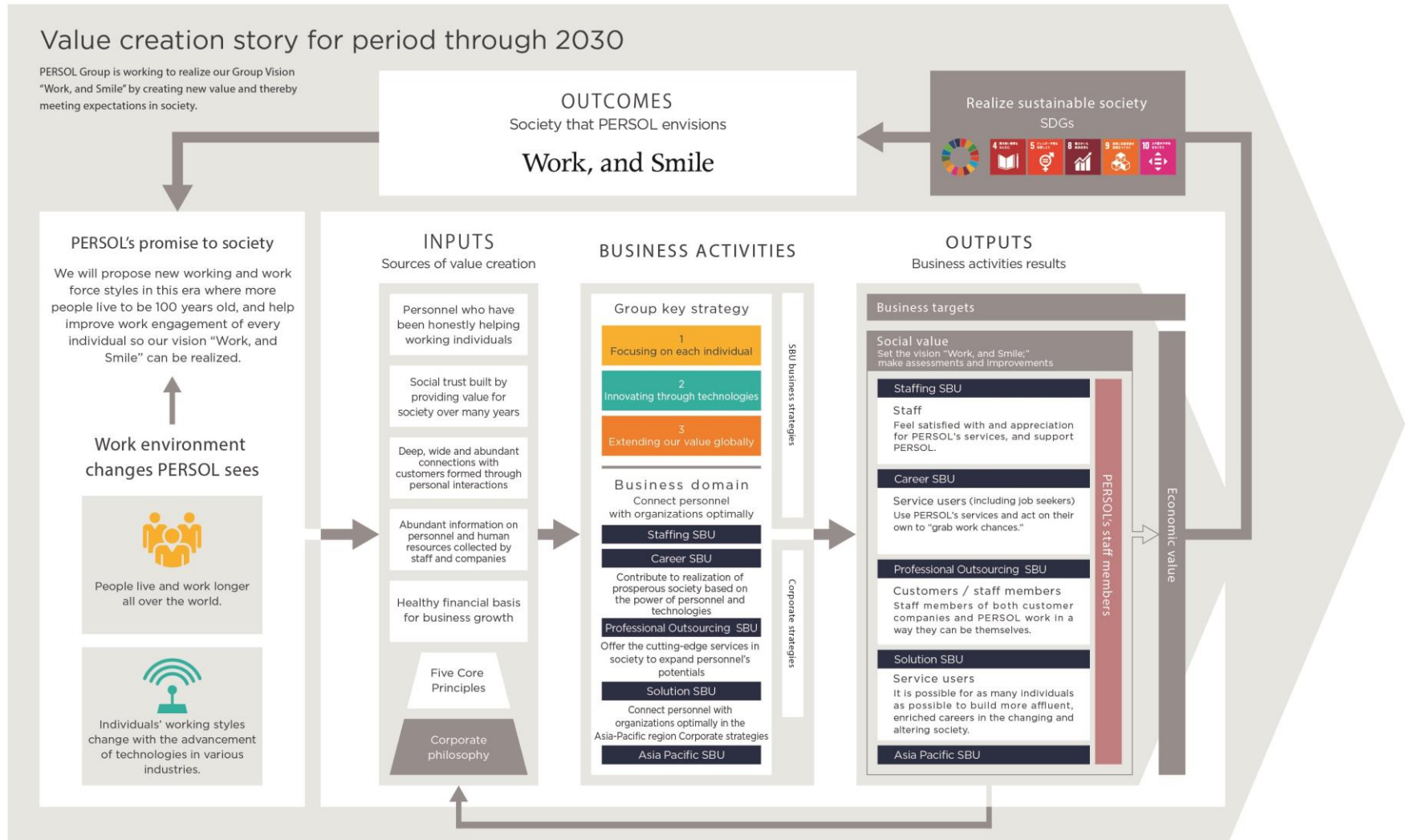
(million yen)	FY2019 Q1	FY2020 Q1 (FCST)	FY2020 Q1	Factors
<b>Staffing</b>	5,823	4,260 ~ 4,760	<b>8,921</b>	• Profit increased due to factors of sales increase and improved profitability in BPO sector
<b>Career</b>	4,703	100 ~ 500	<b>1,505</b>	• Compared to the forecast, sales increase resulted in profits higher. • Cost reduction was implemented mainly with marketing cost.
<b>Professional Outsourcing</b>	271	-640 ~ -540	<b>315</b>	• Profit increased due to sales increase and cost reduction although there was a certain number of inactive engineering staffs.
<b>Solution</b>	-299	-1,670 ~ -1,470	<b>-1,437</b>	• Loss recorded partly due to application of the principle method for revenue recognition of job search application business. (impact amount: -JPY 0.36 billion)
<b>Asia Pacific (APAC)</b>	-156	-90	<b>-116</b>	• Profitable placement business was affected by COVID-19, especially in China.
<b>Other</b>	-3	-550 ~ -500	<b>-455</b>	• Despite cost reduction, loss recorded mainly due to a sales decrease in training business.
<b>Adjustment</b>	-281	90 ~ 340	<b>382</b>	• Timing of investments in relation to the Mid-term Management Plan 2023 was put off due to COVID-19, resulting in increased profit.

# Our Vision Toward 2030



# Value Creation Story

Forecasting the society at 2030, we determined Value creation story to realize Group vision.



# Work, and Smile

Working life is a journey of growth and creation.

We all have big dreams,  
and there are many different paths to success.

Thus, we need to make our own choices  
from a range of diversified work opportunities.

Our vision is to enrich society  
so that all work leads to lives of happiness.



# Change of “Work” in the World in 2030

In this era of 100-year lifespan and driven by evolution of technology, essential and irreversible changes are occurring in people’s lifestyle and the way of working. Those changes are now accelerated due to the effect of COVID-19.

## Change of “Work” in the world perceived by PERSOL

As the human lifespan becomes longer in the world, “Working” period is also getting longer.



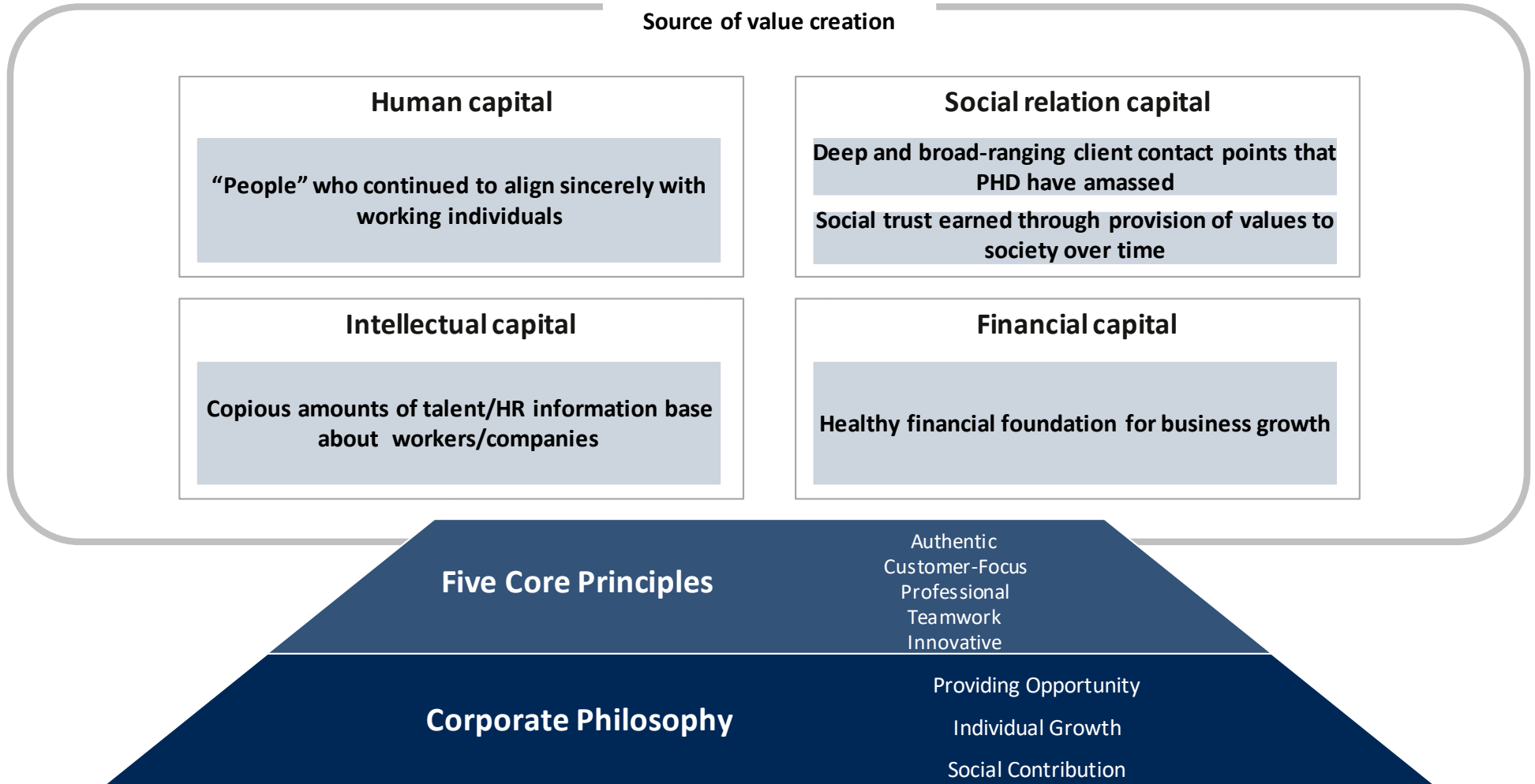
Working style of individuals will change driven by advancing technologies.



**Life style and way of working change.**  
(The change is accelerated by COVID-19.)

# PERSOL's Strengths: Source of Value Creation

Based on the corporate philosophy and Five Core Principles, "people" who continued to align sincerely with working individuals, contact points with customers and social trust generated by "people", and human resources and HR information, and healthy financial foundation obtained as a result are the strengths of PERSOL.



# Group Key Strategies

To realize the world we aim at, three Group Key Strategies were established.

## **Focusing on each individual** 1

We make priority investments on the activities that contribute to the increase of work engagement for all working individuals supported by PERSOL.

## **Innovating through technologies** 2

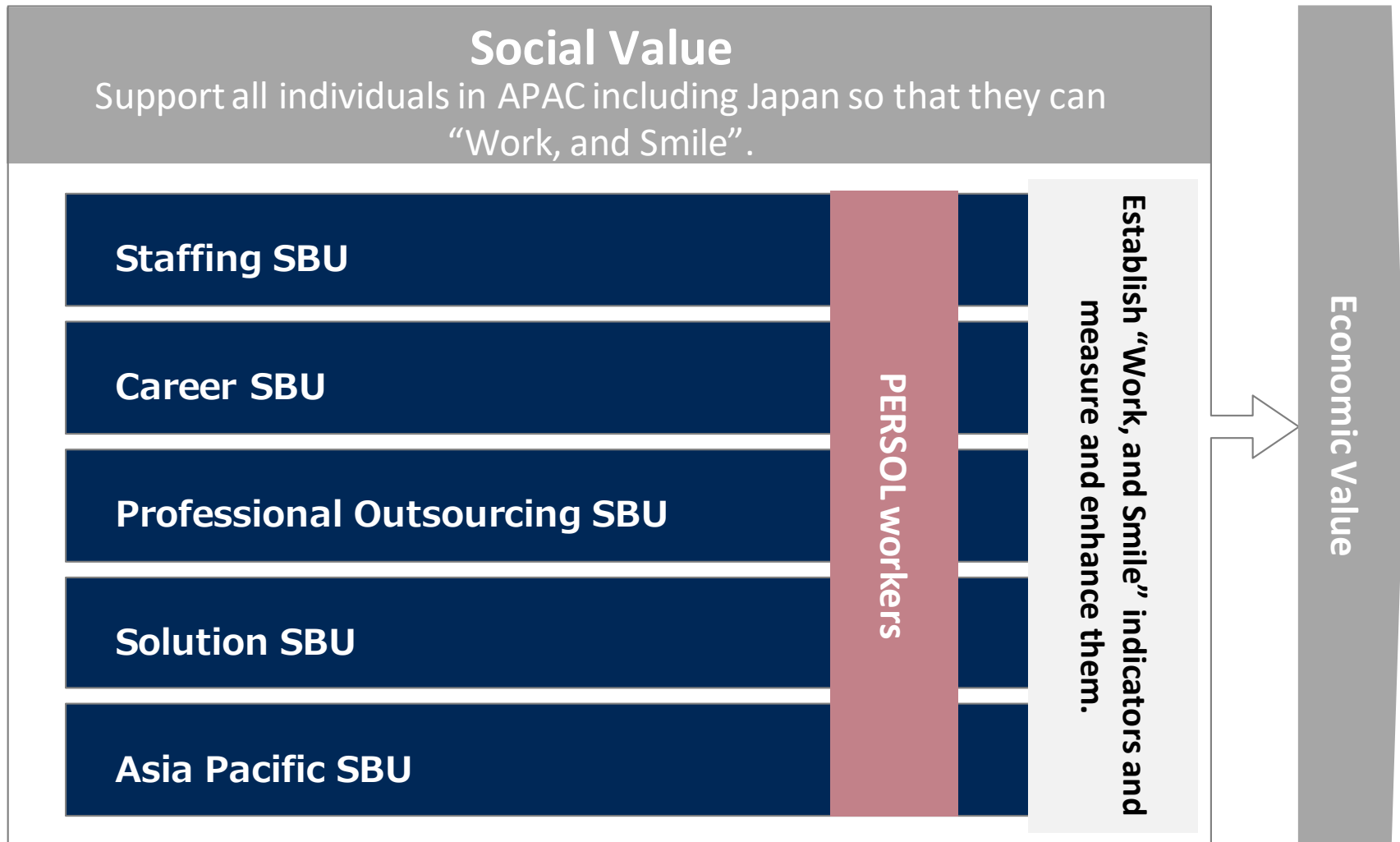
By making the best use of technologies, we promote digitization of existing businesses to further upgrade those businesses and create new businesses for future

## **Extending our value globally** 3

We establish a management structure to provide values from Japan as advanced country of challenges in relation to “Work” to the Asia-Pacific region and then to all around the world.

# Social Value and Economic Value that PERSOL Aims to Create

PERSOL will establish, measure and enhance indicators of “Work, and Smile”. We believe that enhancement of “Work, and Smile” indicators will lead to the enhancement of financial indicators in the end.



# SDGs which PERSOL can Contribute to the Achievement and Sustainability Policy

In the course of realizing the Group Vision “Work, and Smile” through our business activities, we will contribute to five SDGs; “4. Quality Education”, “5. Gender Equality”, “8. Decent work and Economic Growth”, “9. Industry, Innovation and Infrastructure”, “10. Reduced Inequalities”.

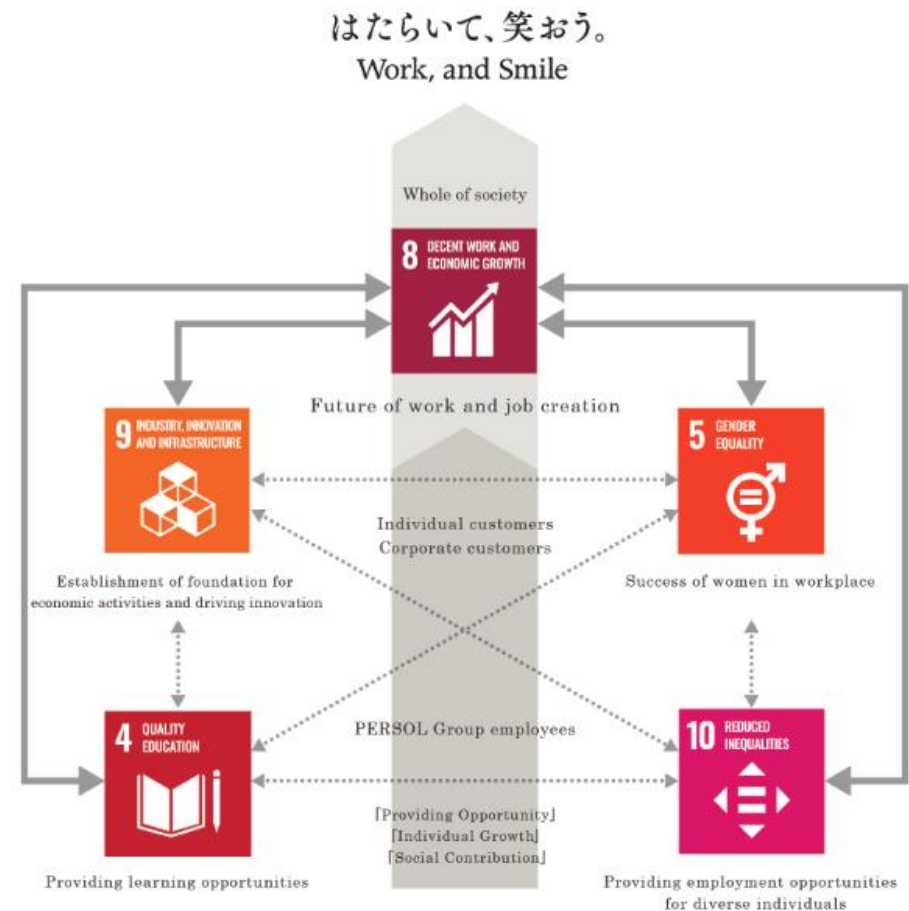
## Sustainability Policy

Based on our corporate philosophy including “Job Creation”, “Individual Growth”, and “Social Contribution”, PERSOL Group is actively addressing the solution of social issues in cooperation with various stakeholders, aiming at creating sustainable society.

Toward 2030, we promote business activities, including creation of new working styles that meet the needs in society, to realize the Group Vision “Work, and Smile” and thereby make contribution to achievement of the SDGs.

We work on the five SDGs in particular as important issues and provide support for development of human resources and creation of employment for those people who can contribute to the achievement of all the 17 sustainable development goals.

## SDGs Activities Outline Diagram



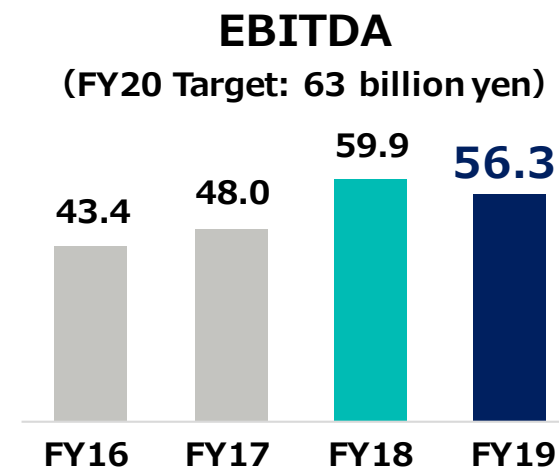
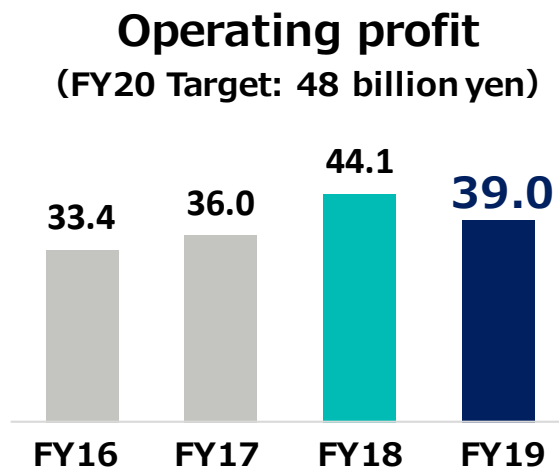
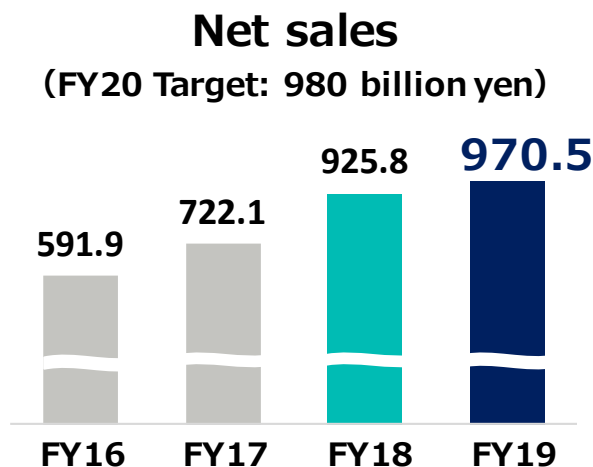
# Mid-term Management Plan 2023



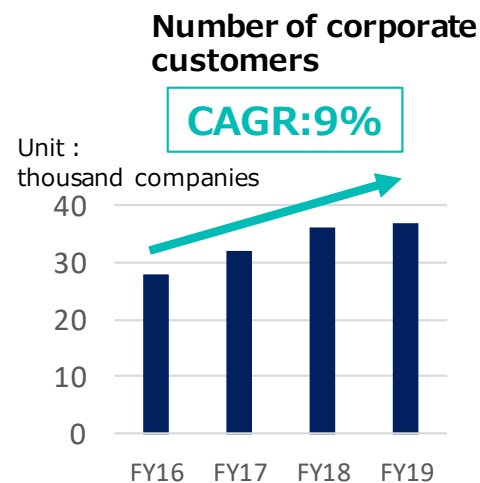
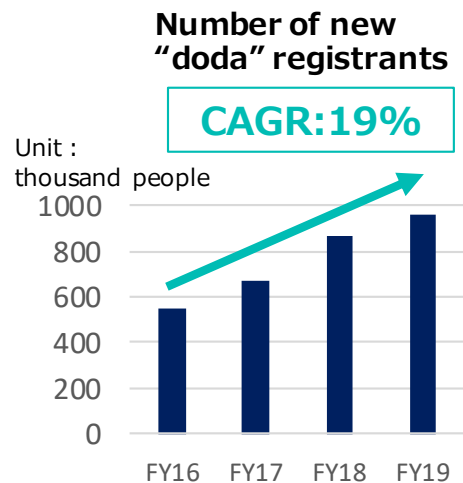
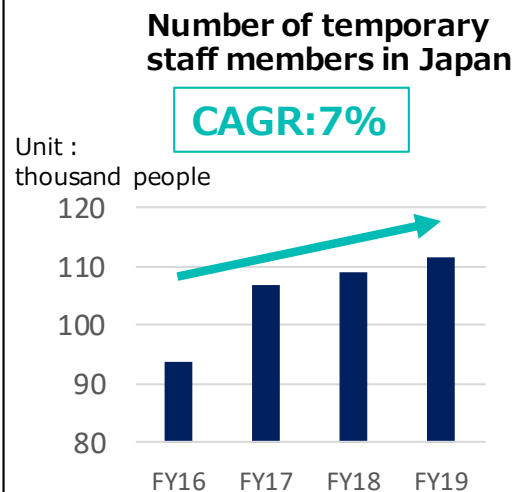
# **Mid-term Management Plan 2023: The Review of Previous Mid-term Management Plan**

# The Review of Previous Mid-term Management Plan (FY2016~FY2019)

(Unit: billion yen)



## Growth of Business KPIs



### Total investment for M&A

Japan :  
Approx. **7.4**  
billion yen

Overseas:  
Approx. **73.8**  
billion yen

# The Review of Previous Mid-term Management Plan (Strategy)

Various measures have been successfully implemented in the past four years, but there are some challenges remained, which we aim to realize in the Mid-term Management Plan 2023.

	Previous plan	Achievement/result	Challenges for Mid-term Management Plan 2023
Strategy 1	Brand-Building	<ul style="list-style-type: none"> <li>• Unified to PERSOL Brand</li> <li>• Reached a 15.3%* recognition rate</li> </ul>	<ul style="list-style-type: none"> <li>• Dissemination of recognition</li> <li>• Promotion of social value creation</li> </ul>
Strategy 2	Aim to organic growth with IT system investment and improving productivity	<ul style="list-style-type: none"> <li>• Productivity increased by “Genesis” operation (Realized 1.7 times** productivity)</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing productivity by DX***</li> <li>• Increasing efficiency including peripheral system</li> </ul>
Strategy 3	Generate group synergy and group management	<ul style="list-style-type: none"> <li>• Promotion of inter-business collaboration (Produced 7.4 billion-yen sales)</li> </ul>	<ul style="list-style-type: none"> <li>• Marketing using digital technology</li> <li>• Utilization of information asset held</li> </ul>
Strategy 4	Enhance our presence on Asia-Pacific region	<ul style="list-style-type: none"> <li>• Established a position within Top 3 in main regions except China and India</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of a business foundation</li> <li>• Improving profitability</li> </ul>
Strategy 5	Enhance operational capability and service line with M&A	<ul style="list-style-type: none"> <li>• Created new businesses (job search application business / cloud POS business and others)</li> <li>• Research &amp; Development activities through Innovation Fund</li> </ul>	<ul style="list-style-type: none"> <li>• Clarifying priority areas of investment</li> <li>• Monetizing new businesses</li> </ul>

\*:As of April 2020

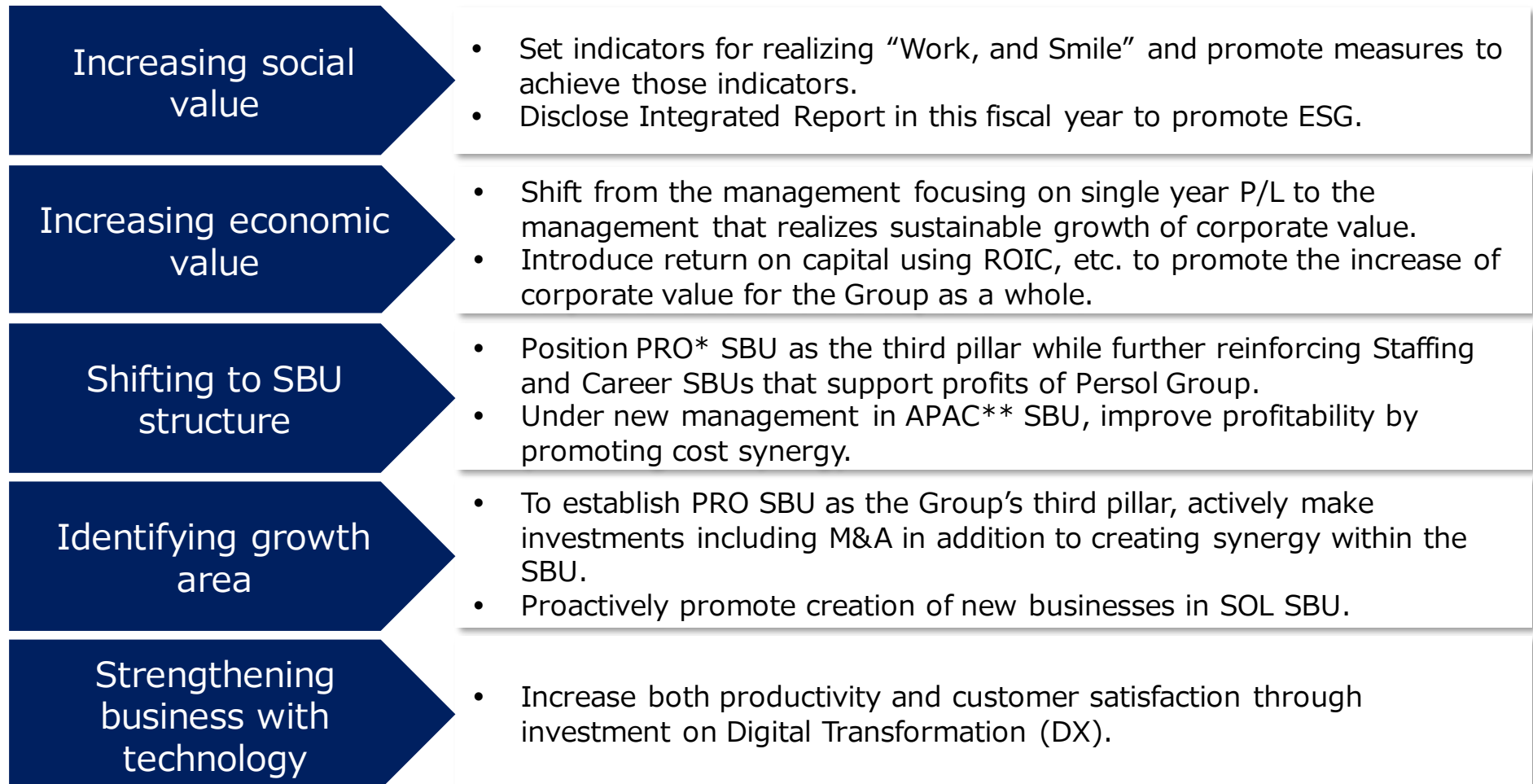
\*\* :Number of matching decisions per coordinator

\*\*\* : Digital Transformation

# **Mid-term Management Plan 2023: Overall Strategy**

# Overall Strategy of Mid-term Management Plan 2023

- ◆ Promote provision of social value by realizing “Work, and Smile”.
- ◆ Commit to early recovery from significant adverse effects of COVID-19 to the level before pandemic while maintaining necessary investments in the Mid-term Management Plan 2023.
- ◆ It is positioned as the three years to establish a basis for growth by deepening business and developing the management foundation.



\*: Professional Outsourcing    \*\*: Asia Pacific

# Strategic Positioning of Each SBU

In Mid-term Management Plan 2023, active investment is planned to establish PRO SBU as the third pillar. For APAC, the highest priority is placed on profitability, refraining from making a large-scale M&A for a while.

	Strategic Positioning	M&A Policy
Staffing	<ul style="list-style-type: none"> <li>Establishes a basis as the steadfast top company in Japan</li> <li>Increases profitability even further</li> </ul>	<ul style="list-style-type: none"> <li><b>Neutral</b></li> <li>Industrial realignment with an increased market share</li> </ul>
Career	<ul style="list-style-type: none"> <li>Redefines the growth model to enhance the strength of data-driven business improvement to the level of competitive advantage.</li> <li>Will ensure compatibility between high growth rate and profitability after the market recovery.</li> </ul>	<ul style="list-style-type: none"> <li><b>Passive</b></li> <li>Investments expected to strengthen technology</li> </ul>
Professional Outsourcing	<ul style="list-style-type: none"> <li>Addresses activities to create synergy within the SBU and expands business scale remarkably through M&amp;A.</li> </ul>	<ul style="list-style-type: none"> <li><b>Active</b></li> <li>Actively expanding business scale</li> </ul>
Solution	<ul style="list-style-type: none"> <li>Monetizes new businesses and promotes new business development activities.</li> <li>Ensures a high growth rate and making profit in FY2022.</li> </ul>	<ul style="list-style-type: none"> <li><b>Neutral</b></li> <li>R&amp;D type investment in medium scale</li> </ul>
APAC	<ul style="list-style-type: none"> <li>Increases profitability through back-office integration of PERSOLKELLY and PROGRAMMED and other means.</li> </ul>	<ul style="list-style-type: none"> <li><b>Passive</b></li> <li>Investments expected to strengthen technology</li> </ul>

# Numerical target for FY2022

Promote building foundation for remarkable growth after 2023 by recovering of profitability to the level of before COVID-19. Restore the profitability to the level of renewing the highest record of operating profit in FY2018 (44.1 billion yen).

(Unit: billion yen)	FY2019 Result	FY2020 Forecast	Plan for FY2022
Net sales	970.5	913.4 ~945.8	1,000
Operating profit (OP Margin)	39.0 (4.0%)	18.0 ~22.0	45.0 (4.5%)
EBITDA (EBITDA Margin)	56.3 (5.8%)	34.0 ~38.0	61.0 (6.1%)
Net profit	7.6*	8.3 ~11.1	26.8
Adjusted EPS	148.44yen	72.51yen ~84.46yen	147.76yen

\*:Booked impairment loss mainly on overseas business in FY2019.

# **Mid-term Management Plan 2023: Corporate Governance Structure**



# Composition of the Board

It was resolved at the general meeting of shareholders held on June 24, 2020 that the ratio of independent directors should be 1/2 or more in principle.

Independent  
Director

**4/10** Directors

**Before the change (As of March 31, 2020)**

Representative Director, President and CEO	Masamichi Mizuta
Director, Deputy President and COO (Group Function Control Officer)	Hirotohi Takahashi
Director, Senior Executive Officer (Sales Strategy Officer, Temporary Staffing/BPO Segment Lead)	Takao Wada
Director, Executive Officer (Chief Financial Officer)	Kiyoshi Seki
Independent Director	Ryosuke Tamakoshi
Director (Member of Audit and Supervisory Committee)	Hiroshi Shimazaki
Director (Member of Audit and Supervisory Committee)	Toshihiro Ozawa
Independent Director (Member of Audit and Supervisory Committee)	Naoshige Shindo
Independent Director (Member of Audit and Supervisory Committee)	Naohiro Nishiguchi
Independent Director (Member of Audit and Supervisory Committee)	Chisa Enomoto

Independent  
Director

**5/9** Directors

**After the change (After June 24, 2020)**

Representative Director, President and CEO	Masamichi Mizuta
Director, Deputy President and Executive Officer (Business Control Officer, Staffing SBU Lead)	Takao Wada
Director, Deputy President and Executive Officer (Function Control Officer, Solution SBU Lead)	Hirotohi Takahashi
Independent Director	Ryosuke Tamakoshi
Independent Director	Naohiro Nishiguchi
Independent Director	Masaki Yamauchi
Director (Member of Supervisory Committee)	Toshihiro Ozawa
Independent Director (Member of Supervisory Committee)	Chisa Enomoto
Independent Director (Member of Supervisory Committee)	Kazuhiko Tomoda

Newly  
appointed

Newly  
appointed

# Establishing New Committees across the Group

Investment, risk management and HR committees are formed that are positioned as an HMC\* advisory organization. These committees aim at increasing corporate value while keeping the balance between expedition of decision making after shifting to SBU structure and the governance.

## Investment committee

- In case of M&A of a certain scale or larger, it will be reviewed by investment committee and the review result will be brought up to HMC for discussion.
- Prior deliberation is made by CFO as a chairman and CLO, CIO, CHRO and invited external experts of investment committee.

## Risk management committee

- Organization to deliberate various issues in relation to the Group's risk management in general.
- Annual planning, identification of risks, clarification of risk owners and promotion of measures against risks in relation to important issues of risk management in general.

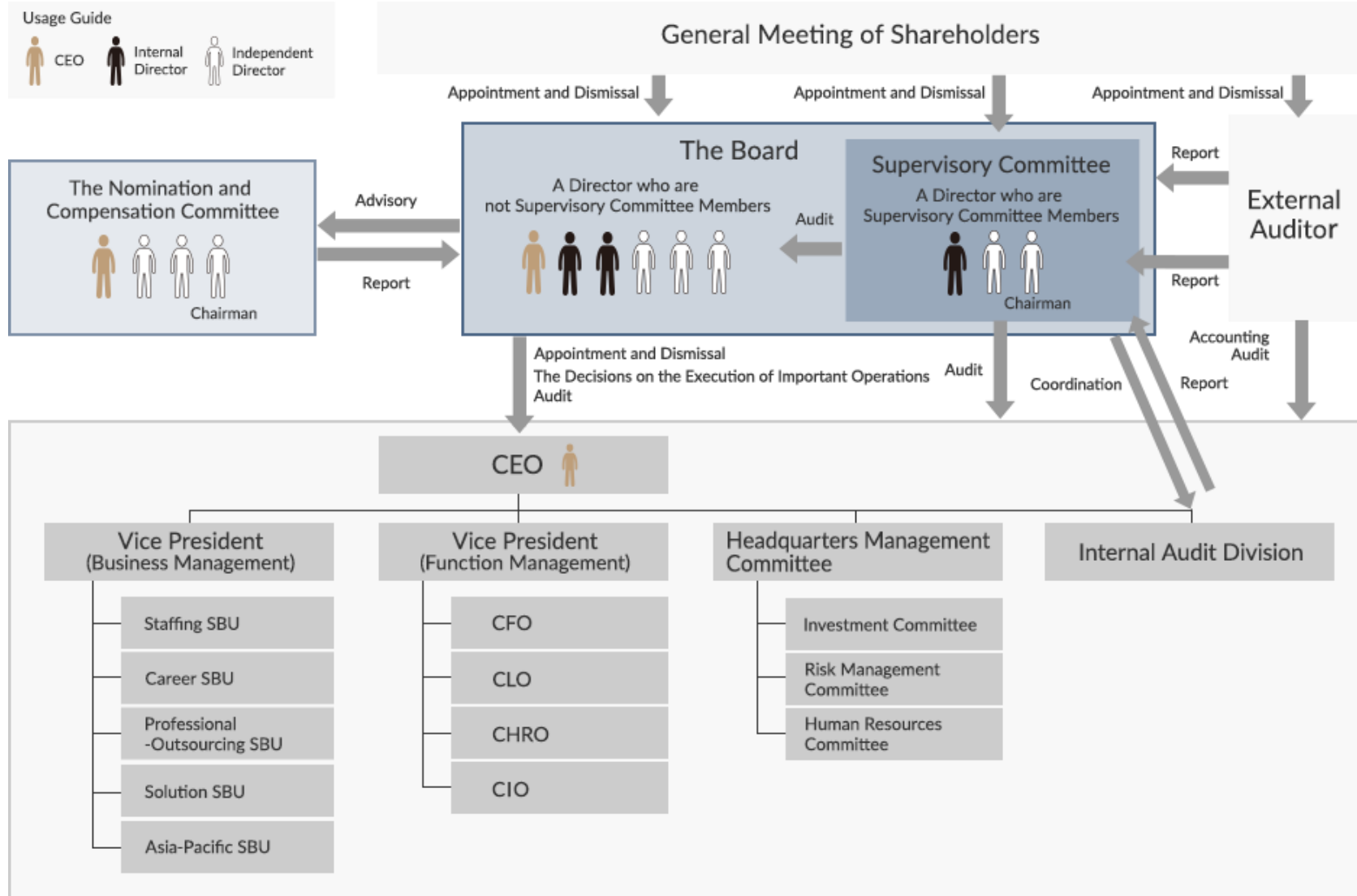
## HR committee

- Promotion of the Group-wide HR strategies and important HR measures.
- Group-wide talent management
  - CxO succession plan
  - Core HR of the Group including BMC\*\* members and their positions, etc.

\*: Headquarters Management Committee (corresponding to management meeting)

\*\* : Business Unit Management Committee (corresponding to the Board of Meeting in each SBU )

# Corporate Governance Organization



※ HMC = Headquarters Management Committee, SBU = Strategic Business Unit, CEO = Chief Executive Officer, CFO = Chief Financial Officer, CLO = Chief Legal Officer, CHRO = Chief Human Resources Officer, CIO = Chief Information Officer

# Mid-term Management Plan 2023: Financial Strategy

# Financial Strategy

- ◆ In addition to finance discipline secured through introduction of return on capital, IFRS is planned to be applied in the fiscal year ending in March 2024.
- ◆ In view of future introduction of IFRS, our company's ROIC will be calculated based on the net operating profit after tax prior to amortization of goodwill as numerator.

## Introduction of return on capital for increasing corporate value

- From a viewpoint of increasing corporate value, shift to a policy focusing on return on capital from the existing one focusing on P/L.
- In view of future introduction of IFRS, our company's ROIC will be calculated based on the net operating profit after tax prior to amortization of goodwill divided by invested capital (=liabilities with interest + shareholder's equity).
- A rate over 10% is set as a minimum standard for the fiscal year ending in March 2023.

## IFRS introduction in the future

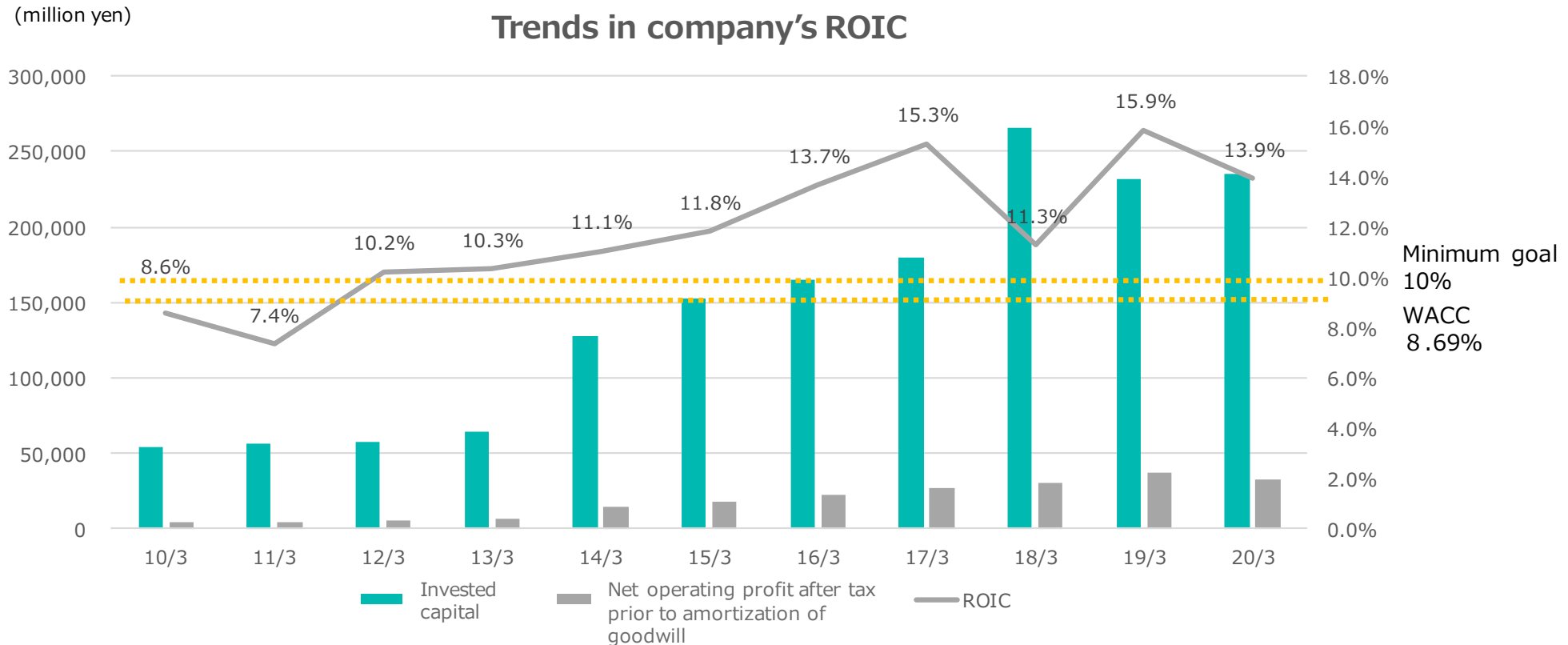
- IFRS is planned to be applied in the fiscal year ending in March 2024 which has been put off due to acquisitions overseas.
- In view of future introduction of IFRS, adjusted EPS based on net profit prior to amortization of goodwill will be continuously disclosed.

## Shareholder returns

- Policy of shareholder returns will be announced after establishing detailed investment plan, etc.

# The Group's ROIC

- ◆ Promote business expansion by positive M & A after acquiring Intelligence in 2013. Have improved ROIC at the same time, stay at 14% level by increasing profitability in spite of temporary decline when PROGRAMMED was acquired in fall 2017.
- ◆ Target at least 10% in 2023 despite temporary decline due to COVID-19.



# Financial Forecast for FY2020

# Impact of COVID-19

## Current condition of each SBU

Conditions as of August 2020		Future risk
Staffing	<ul style="list-style-type: none"> <li>• <b>Clerical sector:</b> Registration interviews with staffs are shifted to online. Operation has gone back to normal.</li> <li>• <b>Marketing sector:</b> The number of active temporary workers and operating hours are decreasing due to restricted store operation.</li> <li>• <b>BPO sector:</b> Orders of new projects is increasing.</li> </ul>	<ul style="list-style-type: none"> <li>• Some companies may terminate contracts at the end of Sep. or Dec., 2020 after reviewing their HR plans.</li> <li>• Activity staff ratio of employed without contracted period is likely to be declined.</li> </ul>
Career	<ul style="list-style-type: none"> <li>• Counseling sessions and interviews are shifted to online.</li> <li>• There is a tendency of hiring decision taking longer time and postponement of hiring due to the trend of companies to reconsider HR plans and cut labor costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Business is assumed to recover in a mid- to long-term prospect under the structural decrease in population, but desire for hiring may remain low for the time being with the spread of COVID-19 again.</li> </ul>
Professional Outsourcing	<ul style="list-style-type: none"> <li>• In IT area, orders from companies continue to be strong.</li> <li>• In engineering sector, new projects are decreasing because customers became cautious in making investment in development.</li> </ul>	<ul style="list-style-type: none"> <li>• Inactive staff members may increase.</li> </ul>
Solution	<ul style="list-style-type: none"> <li>• The number of orders decreases as a result of small/medium sized businesses' cutbacks of labor costs and request for self-restraint on operation made to restaurants (job search application business / cloud POS business)</li> </ul>	<ul style="list-style-type: none"> <li>• New customers acquired may decrease.</li> <li>• Closedown of business or cancellation of existing customers (restaurants)</li> </ul>
APAC	<ul style="list-style-type: none"> <li>• <b>Asia:</b> Temporary staffing business is stable with staff members working from home. On the other hand, in placement business, there is a temporary trend of declining demand for HR.</li> <li>• <b>Australia:</b> Both staffing business and maintenance business suffer from lockdown or economic stagnation.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Asia:</b> Temporary staffing business may keep low level desire for hiring continuing for a certain period.</li> <li>• <b>Australia</b> Number of active temporary workers in blue-collar area may decrease and sales in some part of maintenance business may decrease</li> </ul>



# Financial Forecast for FY2020 Ending March 2021

- ◆ Corporate needs for hiring talents show a trend of gradual recovery in Japan after the emergency declaration was lifted. Full-year financial forecast for FY2020 was made on the assumption that the corporate needs for hiring will be recovering toward the fiscal year end based on the current situation.
- ◆ Revision of the forecasts will be disclosed promptly if necessary, considering the market conditions and business trends in future, including an impact of the COVID-19 pandemic.

(million yen)	FY2019 1 <sup>st</sup> half	FY2020 1 <sup>st</sup> half (Forecast)	YOY (%)	FY2019	FY2020 (Forecast)	YOY (%)
Net Sales	478,956	<b>453,100</b> ~468,000	-5.4% ~-2.3%	970,572	<b>913,400</b> ~945,800	-5.9% ~-2.6%
Operating Profit	20,116	<b>9,000</b> ~10,000	-55.3% ~-50.3%	39,085	<b>18,000</b> ~22,000	-53.9% ~-43.7%
EBITDA	28,948	<b>17,000</b> ~18,000	-41.3% ~-37.8%	56,356	<b>34,000</b> ~38,000	-39.7% ~-32.6%
Net Profit*	-5,177	<b>3,800</b> ~4,500	-	7,612	<b>8,300</b> ~11,100	9.0% ~45.8%
Dividend	15(yen)	<b>To be decided</b>	-	30(yen)	<b>To be decided</b>	-

\*Net profit attributable to owners of parent company

# Sales Forecast by SBU for FY2020

(million yen)	FY2020 Q1	FY2020 Q2 (FCST)	FY2020 1 <sup>st</sup> half (FCST)	FY2020 2 <sup>nd</sup> half (FCST)	FY2020 Full year (FCST)
Consolidated Sales	238,222	214,877 ~ 229,777	453,100 ~ 468,000	460,300 ~ 477,800	913,400 ~ 945,800
Staffing	130,678	124,121 ~ 127,121	254,800 ~ 257,800	257,400 ~ 263,400	512,200 ~ 521,200
Career	16,827	12,572 ~ 12,772	29,400 ~ 29,600	28,500 ~ 29,600	57,900 ~ 59,200
Professional Outsourcing	26,415	27,884 ~ 28,384	54,300 ~ 54,800	57,900 ~ 61,000	112,200 ~ 115,800
Solution	952	1,347 ~ 1,547	2,300 ~ 2,500	3,900 ~ 4,500	6,200 ~ 7,000
Asia Pacific (APAC)	65,980	50,919 ~ 61,919	116,900 ~ 127,900	115,800 ~ 122,900	232,700 ~ 250,800
Other	2,364	2,835 ~ 2,935	5,200 ~ 5,300	7,000	12,200 ~ 12,300
Adjustment	-4,995	-4,904 ~ -4,804	-9,900 ~ -9,800	-10,600 ~ -10,200	-20,500 ~ -20,000

# Operating Profit Forecast by SBU for FY2020

(million yen)	FY2020 Q1	FY2020 Q2 (FCST)	FY2020 1 <sup>st</sup> half (FCST)	FY2020 2 <sup>nd</sup> half (FCST)	FY2020 Full year (FCST)
Operating profit	9,115	-115 ~ 884	9,000 ~ 10,000	9,000 ~ 12,000	18,000 ~ 22,000
Staffing	8,921	4,668 ~ 5,068	13,590 ~ 13,990	11,850 ~ 12,470	25,440 ~ 26,460
Career	1,505	-2,295 ~ -2,225	-790 ~ -720	-1,340 ~ -590	-2,130 ~ -1,310
Professional Outsourcing	315	114 ~ 204	430 ~ 520	2,540 ~ 3,620	2,970 ~ 4,140
Solution	-1,437	-1,382 ~ -882	-2,820 ~ -2,320	-1,860 ~ -2,060	-4,680 ~ -4,380
Asia Pacific (APAC)	-116	-343 ~ -303	-460 ~ -420	-1,200 ~ -760	-1,660 ~ -1,180
Other	-455	-594 ~ -564	-1,050 ~ -1,020	-400 ~ -230	-1,450 ~ -1,250
Adjustment	382	-412 ~ -282	-30 ~ 100	-460 ~ -580	-490 ~ -480

# EBITDA Forecast by SBU for FY2020

(million yen)	FY2020 Q1	FY2020 Q2 (FCST)	FY2020 1 <sup>st</sup> half (FCST)	FY2020 2 <sup>nd</sup> half (FCST)	FY2020 Full year (FCST)
Consolidated EBITDA	13,389	3,610 ~ 4,610	17,000 ~ 18,000	17,000 ~ 20,000	34,000 ~ 38,000
Staffing	9,914	5,525 ~ 5,925	15,440 ~ 15,840	13,700 ~ 14,320	29,140 ~ 30,160
Career	2,316	-1,606 ~ -1,536	710 ~ 780	160 ~ 910	870 ~ 1,690
Professional Outsourcing	683	446 ~ 536	1,130 ~ 1,220	3,240 ~ 4,320	4,370 ~ 5,540
Solution	-1,204	-1,185 ~ -685	-2,390 ~ -1,890	-1,430 ~ -1,630	-3,820 ~ -3,520
Asia Pacific (APAC)	1,390	1,119 ~ 1,159	2,510 ~ 2,550	1,770 ~ 2,210	4,280 ~ 4,760
Other	-380	-569 ~ -539	-950 ~ -920	-300 ~ -130	-1,250 ~ -1,050
Adjustment	669	-249 ~ -119	420 ~ 550	-10 ~ -130	410 ~ 420

**Note: Figures of EBITDA forecast for each SBU except the Consolidated EBITDA were corrected.**

# Appendix

# Consolidated Quarterly Results

Compared to the same quarter of previous year, sales in Q1 of FY2020 were higher while operating profit lowered.

(million yen)	FY2018			FY2019				FY2020
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Sales</b>	<b>226,330</b>	<b>232,971</b>	<b>240,586</b>	<b>235,218</b>	<b>243,738</b>	<b>242,204</b>	<b>249,411</b>	<b>238,222</b>
YoY(%)	39.0%	36.8%	5.9%	4.1%	7.7%	4.0%	3.7%	1.3%
<b>Operating profit</b>	<b>8,922</b>	<b>11,620</b>	<b>12,036</b>	<b>10,057</b>	<b>10,058</b>	<b>8,287</b>	<b>10,681</b>	<b>9,115</b>
OPM(%)	3.9%	5.0%	5.0%	4.3%	4.1%	3.4%	4.3%	3.8%
<b>EBITDA</b>	<b>12,795</b>	<b>15,533</b>	<b>16,242</b>	<b>14,416</b>	<b>14,532</b>	<b>12,410</b>	<b>14,997</b>	<b>13,389</b>
EBITDA Margin(%)	5.7%	6.7%	6.8%	6.1%	6.0%	5.1%	6.0%	5.6%
<b>Net profit*</b>	<b>5,355</b>	<b>6,750</b>	<b>5,622</b>	<b>5,466</b>	<b>-10,643</b>	<b>4,522</b>	<b>8,266</b>	<b>4,670</b>

\*Net profit attributable to owners of parent company

## Staffing SBU

Sales and profit increased for Q1 of FY 2020 because of the increased number of active workers mainly in clerical and administrative sectors, raised billing rate and increased number of operating days.

(million yen)	FY2018			FY2019				FY2020
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Sales</b>	<b>114,706</b>	<b>120,592</b>	<b>122,101</b>	<b>122,189</b>	<b>126,130</b>	<b>130,986</b>	<b>130,871</b>	<b>130,678</b>
YoY(%)	-	-	-	5.5%	10.0%	8.6%	7.2%	6.9%
<b>Operating profit</b>	<b>3,686</b>	<b>6,114</b>	<b>5,343</b>	<b>5,823</b>	<b>5,333</b>	<b>6,806</b>	<b>5,905</b>	<b>8,921</b>
OPM(%)	3.2%	5.1%	4.4%	4.8%	4.2%	5.2%	4.5%	6.8%
<b>EBITDA</b>	<b>4,576</b>	<b>6,996</b>	<b>6,334</b>	<b>6,765</b>	<b>6,298</b>	<b>7,759</b>	<b>6,885</b>	<b>9,914</b>
EBITDA Margin(%)	4.0%	5.8%	5.2%	5.5%	5.0%	5.9%	5.3%	7.6%
<b>Working days</b>	<b>59</b>	<b>62</b>	<b>57</b>	<b>59</b>	<b>59</b>	<b>61</b>	<b>58</b>	<b>61</b>

### Qualitative analysis on Q1

- Sales increased by 6.9% YoY. In detail, operating days increased by 2 days +3.4%, the No. of active workers +2.3%, billing rate +5.6%, operating hours -4.5% (leaves and decreased overtime work due to COVID-19, etc.).
- At the end of June 2020, number of contract termination was more than number of contract renewal. Q2 of FY 2020 started with the number of active workers slightly lower compared to Q2 of FY 2019.
- In addition, from July 2020 onwards, due to an increase in the full-time allowance of dispatched staff for “equal pay for equal work”, an increase of social insurance premiums per staff will lead to lower gross profit margin by about 0.5%.

## Career SBU

Both sales and profit decreased for Q1 of FY 2020 due to effects of withdrawal from "an" business and COVID-19.

(million yen)	FY2018			FY2019				FY2020
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Sales</b>	<b>20,303</b>	<b>21,207</b>	<b>23,577</b>	<b>23,549</b>	<b>22,259</b>	<b>18,114</b>	<b>19,526</b>	<b>16,827</b>
YoY(%)	-	-	-	13.6%	9.6%	-14.6%	-17.2%	-28.5%
<b>Operating profit</b>	<b>3,337</b>	<b>3,210</b>	<b>4,784</b>	<b>4,703</b>	<b>4,393</b>	<b>1,271</b>	<b>2,900</b>	<b>1,505</b>
OPM(%)	16.4%	15.1%	20.3%	20.0%	19.7%	7.0%	14.9%	8.9%
<b>EBITDA</b>	<b>4,023</b>	<b>3,920</b>	<b>5,521</b>	<b>5,414</b>	<b>5,146</b>	<b>2,047</b>	<b>3,697</b>	<b>2,316</b>
EBITDA Margin(%)	19.8%	18.5%	23.4%	23.0%	23.1%	11.3%	18.9%	13.8%

### Qualitative analysis on Q1

- Placement business was affected by COVID-19 and the number of orders received in Q1 decreased by about 40%, however, sales only decreased by about 13% due to the delay of timing resulting from sales conversion. Sales in Q2 are expected to decrease to the same extent as a result of sluggish sales in this period.
- In advertising business, the number of orders received in Q1 decreased by about 50% due to COVID-19. Sales in Q2 are expected to decrease by about 30%.
- On the other hand, after the lift of the emergency declaration, the number of orders received in June and July recovered to 60% to 70% YoY in both placement business and advertising business.
- There is a concern about companies' pullout of hiring again due to spread of COVID-19.



# Professional Outsourcing SBU

Sales in Q1 of FY 2020 were increased because there was strong demand mainly in IT area despite a certain number of inactive workers remained.

(million yen)	FY2018			FY2019				FY2020
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Sales</b>	<b>23,810</b>	<b>25,056</b>	<b>26,194</b>	<b>24,008</b>	<b>26,126</b>	<b>26,850</b>	<b>28,842</b>	<b>26,415</b>
YoY(%)	-	-	-	8.2%	9.7%	7.2%	10.1%	10.0%
<b>Operating profit</b>	<b>1,778</b>	<b>2,108</b>	<b>2,440</b>	<b>271</b>	<b>1,449</b>	<b>1,519</b>	<b>3,070</b>	<b>315</b>
OPM(%)	7.5%	8.4%	9.3%	1.1%	5.5%	5.7%	10.6%	1.2%
<b>EBITDA</b>	<b>2,180</b>	<b>2,551</b>	<b>2,901</b>	<b>677</b>	<b>1,866</b>	<b>1,982</b>	<b>3,216</b>	<b>683</b>
EBITDA Margin(%)	9.2%	10.2%	11.1%	2.8%	7.1%	7.4%	11.2%	2.6%

## Qualitative analysis on Q1

- Sales of previous ITO segment were healthy, increased by about 22%, for a reason of strong demand for IT engineers in general.
- Sales of the companies belonging to previous engineering segment showed the same level compared to the previous Q1. On the other hand, there are a certain number of inactive engineering staff as in the previous fiscal year and it is estimated to take some time to improve, considering the decreased number of development projects due to COVID-19.

## Solution SBU

Sales and operating profit are affected by -0.38 billion yen and -0.36 billion yen, respectively by application of the principle method for revenue recognition of job search application business from this fiscal year. As a result, sales were 0.9 billion yen and operating profit was -1.4 billion yen.

(million yen)	FY2018			FY2019				FY2020
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Sales</b>	<b>372</b>	<b>487</b>	<b>478</b>	<b>1,351</b>	<b>1,837</b>	<b>1,856</b>	<b>1,967</b>	<b>952</b>
YoY(%)	-	-	-	213.8%	392.9%	281.2%	310.8%	-29.5%
<b>Operating profit/loss</b>	<b>-0</b>	<b>-18</b>	<b>-114</b>	<b>-299</b>	<b>-175</b>	<b>-376</b>	<b>-768</b>	<b>-1,437</b>
OPM(%)	-0.1%	-3.9%	-23.9%	-22.1%	-9.6%	-20.3%	-39.0%	-150.8%
<b>EBITDA</b>	<b>-0</b>	<b>-18</b>	<b>-112</b>	<b>-248</b>	<b>-111</b>	<b>-302</b>	<b>-340</b>	<b>-1,204</b>
EBITDA Margin(%)	-0.1%	-3.8%	-23.4%	-18.4%	-6.1%	-16.3%	-17.3%	-126.4%

### Qualitative analysis on Q1

- Demand declined as a result of the effects of COVID-19 including small- to medium-sized companies' reduction of labor costs and the request for self-restraint of restaurants operation.
- Even under these circumstances, businesses showed robustness as follows:
  - In job search application business, the accumulated number of corporation accounts became 2.7 times YoY.
  - In cloud POS business, the accumulated number of stores that introduced the service became 1.3 times YoY.

## Asia Pacific (APAC) SBU

Although sales decreased for Q1 of FY2020 due to weak Australian dollars, PERSOLKELLY business showed a growth by about 23% on USD basis with strong results of staffing business. PROGRAMMED also recorded a sales increase by about 7% on AUD basis.

(APAC is consolidated with a delay of 3 months. Q1 covers the period from January to March 2020, before the full impact of COVID-19 except China.)

(million yen)	FY2018			FY2019				FY2020
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Sales</b>	<b>69,836</b>	<b>68,239</b>	<b>70,756</b>	<b>67,012</b>	<b>69,584</b>	<b>66,240</b>	<b>70,403</b>	<b>65,980</b>
YoY(%)	-	-	-	-2.5%	-0.4%	-2.9%	-0.5%	-1.5%
<b>Operating profit/loss</b>	<b>417</b>	<b>308</b>	<b>505</b>	<b>-156</b>	<b>-126</b>	<b>-575</b>	<b>451</b>	<b>-116</b>
OPM(%)	0.6%	0.5%	0.7%	-0.2%	-0.2%	-0.9%	0.6%	-0.2%
<b>EBITDA</b>	<b>2,058</b>	<b>1,943</b>	<b>2,210</b>	<b>1,874</b>	<b>1,868</b>	<b>960</b>	<b>2,060</b>	<b>1,390</b>
EBITDA Margin(%)	2.9%	2.8%	3.1%	2.8%	2.7%	1.4%	2.9%	2.1%
<b>AU GDP growth (%)</b>	<b>3.4%</b>	<b>2.6%</b>	<b>2.2%</b>	<b>1.7%</b>	<b>1.4%</b>	<b>1.7%</b>	<b>2.2%</b>	<b>1.4%</b>
<b>JYP/USD</b>	<b>108.7</b>	<b>109.6</b>	<b>110.4</b>	<b>110.2</b>	<b>110.1</b>	<b>109.1</b>	<b>109.0</b>	<b>108.9</b>
<b>JYP/AUD</b>	<b>83.8</b>	<b>83.1</b>	<b>82.6</b>	<b>78.5</b>	<b>77.7</b>	<b>76.3</b>	<b>75.8</b>	<b>71.6</b>

### Qualitative analysis on Q1

- In PERSOLKELLY business, the system trouble occurred in Australia was resolved but the number of active workers decreased and placement business was affected by COVID-19 especially in China, resulting in a reduction in operating profit by about 30% on USD basis.
- In PROGRAMMED business, operating profit in staffing decreased by about 50% due to the decreased number of small - and medium-sized client companies that were highly profitable. Maintenance business was healthy with about 15% growth because facility management business was robust.
- Most recently, business in various countries was affected by COVID-19, especially in placement, blue collar workers dispatching and painting service.

## Others

Sales increased by 36.5% as a result of the acquisition of training business made in Q2 of FY2019. However, operating loss expanded to 455 million yen because demand for training business declined due to COVID-19.

(million yen)	FY2018			FY2019				FY2020
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Sales</b>	<b>1,199</b>	<b>1,600</b>	<b>1,531</b>	<b>1,731</b>	<b>2,585</b>	<b>2,989</b>	<b>2,803</b>	<b>2,364</b>
YoY(%)	-	-	-	22.0%	115.5%	86.8%	83.1%	36.5%
<b>Operating profit/loss</b>	<b>-206</b>	<b>2</b>	<b>-273</b>	<b>-3</b>	<b>-202</b>	<b>54</b>	<b>-275</b>	<b>-455</b>
OPM(%)	-17.2%	0.2%	-17.8%	-0.2%	-7.8%	1.8%	-9.8%	-19.3%
<b>EBITDA</b>	<b>-186</b>	<b>23</b>	<b>-251</b>	<b>0</b>	<b>-131</b>	<b>148</b>	<b>-197</b>	<b>-380</b>
EBITDA Margin(%)	-15.6%	1.5%	-16.5%	0.0%	-5.1%	5.0%	-7.0%	-16.1%

### Qualitative analysis on Q1

- Sales increased year-on-year due to the M&A effect of acquiring training business in July 2019.
- On the other hand, sales was lower than the forecast due to the COVID-19 effect and as a result, operating loss expanded to 455 million yen.

## Adjustments (Corporate and reconciliation)

Sales for Q1 of FY2020 remained at the same level of previous three-month period (Q4 of FY2019) while operating profit turned to profitability.

(million yen)	FY2018			FY2019				FY2020
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Sales</b>	<b>-3,898</b>	<b>-4,212</b>	<b>-4,054</b>	<b>-4,624</b>	<b>-4,785</b>	<b>-4,833</b>	<b>-5,003</b>	<b>-4,995</b>
<i>YoY(%)</i>	-	-	-	-	-	-	-	-
<b>Operating profit/loss</b>	<b>-91</b>	<b>-106</b>	<b>-649</b>	<b>-281</b>	<b>-612</b>	<b>-413</b>	<b>-602</b>	<b>382</b>
<i>OPM(%)</i>	-	-	-	-	-	-	-	-
<b>EBITDA</b>	<b>142</b>	<b>117</b>	<b>-361</b>	<b>-66</b>	<b>-404</b>	<b>-184</b>	<b>-325</b>	<b>669</b>
<i>EBITDA Margin(%)</i>	-	-	-	-	-	-	-	-

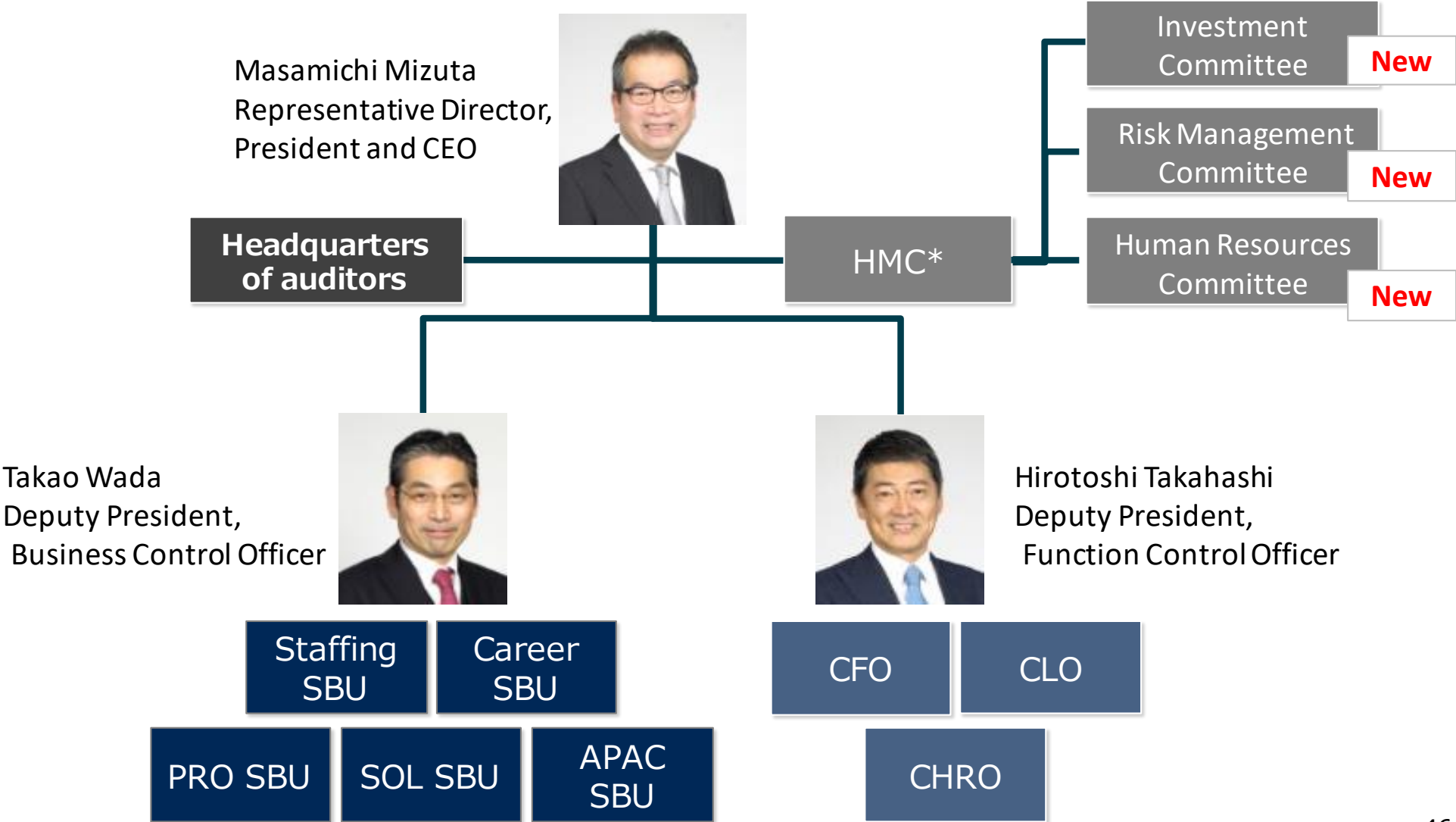
Qualitative analysis on Q1

- Operating profit turned profitable to 382 million yen as a result that the investments in relation to Mid-term Management Plan 2023 were put off to Q2 or later due to the COVID-19 effect.

**Reference**  
**(Disclosed documents in  
May 15, 2020)**

# Changes in Management Structure

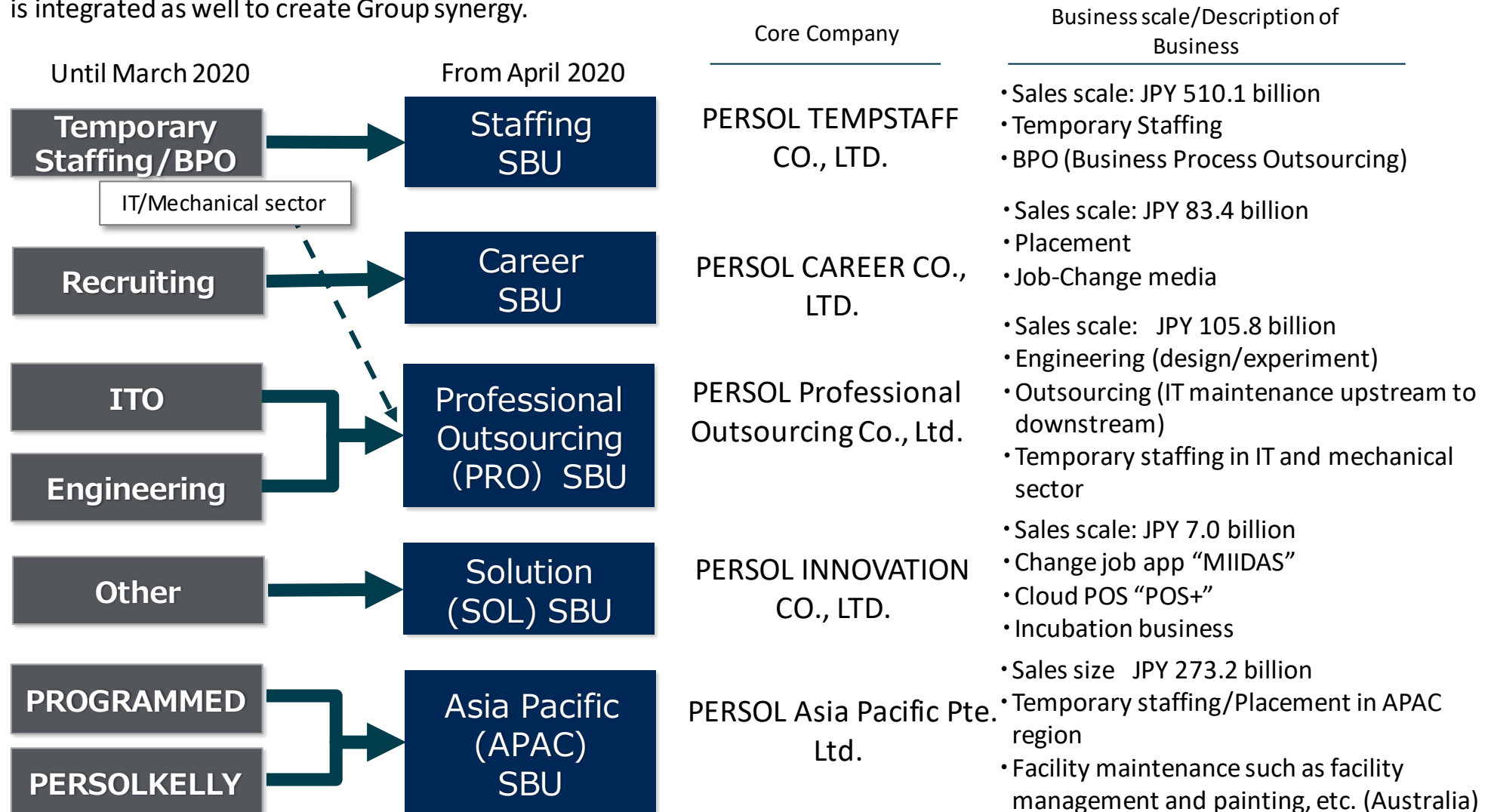
In April 2020, two Vice-President structure introduced; Mr. Wada is in charge of each business and Mr. Takahashi is in charge of each function. In addition, three committees were established as advisory board to HMC\* to strengthen governance.



\*HMC : Headquarters Management Committee

# Shift to SBU (Strategic Business Unit) Structure

Responsibility of decision-making in relation to business execution is properly transferred to SBU to expedite the execution of businesses. Businesses in professional fields are integrated to reinforce, and the overseas business management structure is integrated as well to create Group synergy.

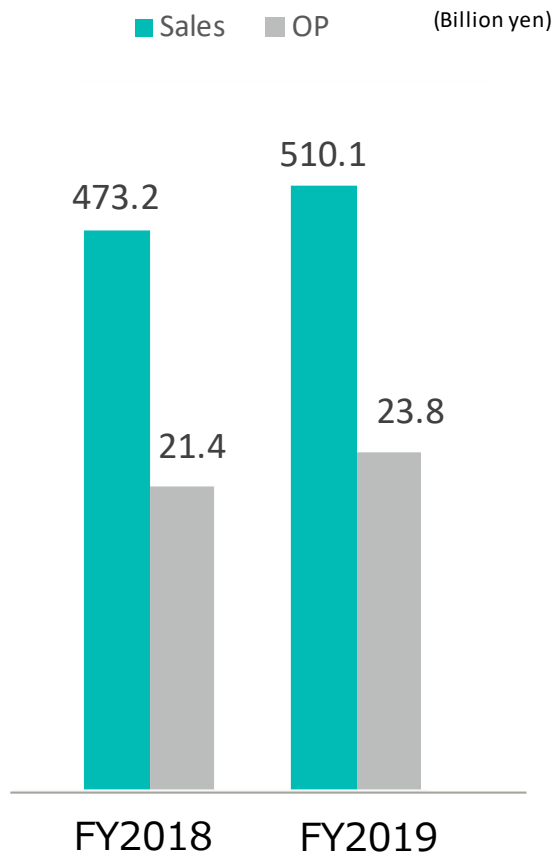




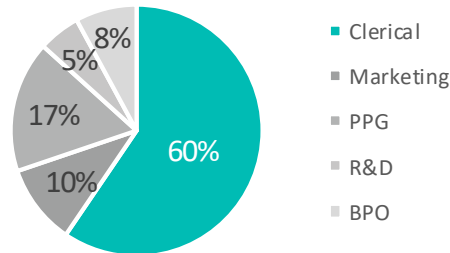
# Staffing SBU

Staffing SBU will further increase the market share and make a stable contribution to profit as the PERSOL Group's core SBU.

## Business Results (restated)



## Composition of Sales



## Competitive Advantages and Strategic Direction

- No.1 market share\* in clerical temporary workers
- Established business structure and solid capability
- Implementing optimum strategy in each field by leveraging business scale

### ◆ Response to “equal pay for equal work”

- Realize improvement of working staff treatment and compensation
- Almost all the clients agreed to accept commuting expense charges etc. and additional costs
- Started proposing use of external human resource scheme by combining temporary staff business and outsourcing business

### ◆ Contracting business

- It has been growing by double-digits for 6 consecutive years and has become the scale of 15% of total scales of the SBU
- Higher-quality and high-value-added services are highly evaluated from client companies by accumulation of knowledge
- Has knowledge in government BPO and strength in large short-term projects

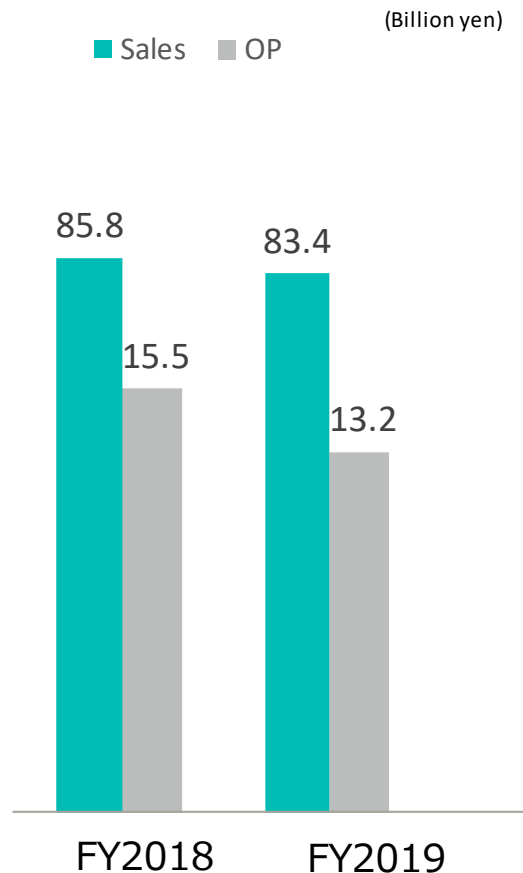
\*A survey by PERSOL

Note: PERSOL TECHNOLOGY STAFF that engaged in the engineer temporary staffing business were transferred to Professional Outsourcing SBU.

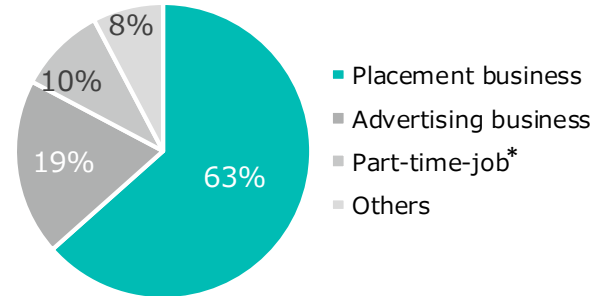
# Career SBU

The second highest contribution to PERSOL group profit. This SBU has terminated “an” business and finished selection and concentration of the business. It will focus on placement business for permanent workers

## Business Results (restated)



## Composition of Sales



\*: Terminated part-time-job advertising business on November 25, 2019.

## Competitive Advantages and Strategic Direction

- Wide customer contact point
- Branding power
- Second position\* in placement business market
- High profitability

### ◆ Maintain structural in preparation for after COVID-19

- Maintain employment to satisfy needs in employment after COVID-19 based on shortage of labor force
- Promote integrating matching accuracy and non-face-to-face support by continuing investment on technology
- Continue training staffs transferred from “an” business to be full-fledged

### ◆ Cost reduction at the moment

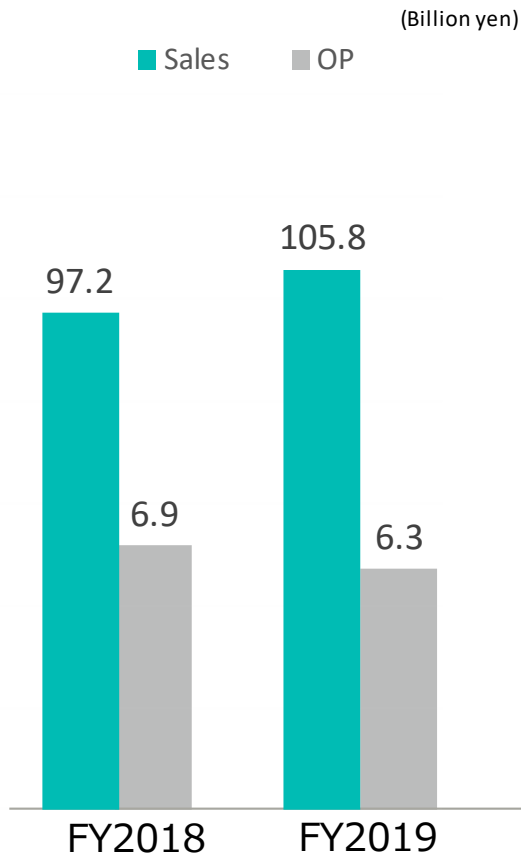
- Suspending mid-career recruitment and reducing marketing cost

\* A survey by PERSOL

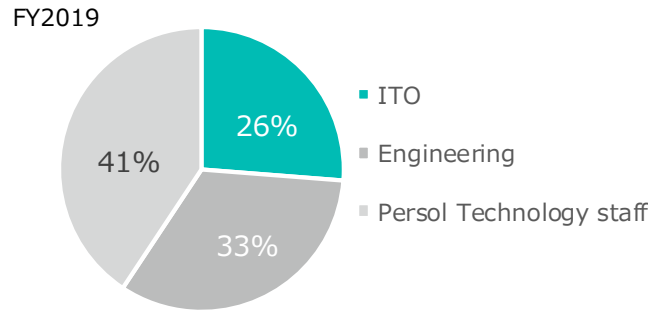
# Professional Outsourcing SBU

This SBU aims to be the 3<sup>rd</sup> largest contribution to PERSOL group as professional engineer group which supports innovation of technology by dispatching temporary staffs and BPO for R&Ds

## Business Results (restated)



## Composition of Sales



## Competitive Advantages and Strategic Direction

- System development capabilities
- Strong customer base of 1,700 companies
- Employing 8,500 engineers who can satisfy client needs from IT to manufacturing areas

### ◆ Professional sector for the 3<sup>rd</sup> business pillar

- Integrated ITO and Engineering segments, which are the professional areas, to be the 3<sup>rd</sup> largest contribution to the group
- Business entity in size of about JPY 110 billion sales and about 10,000 headcount
- Plays the role to contribute to stable profits by differentiating from competitors through various designs and developments with interacting IT and mechanical & electrical engineers

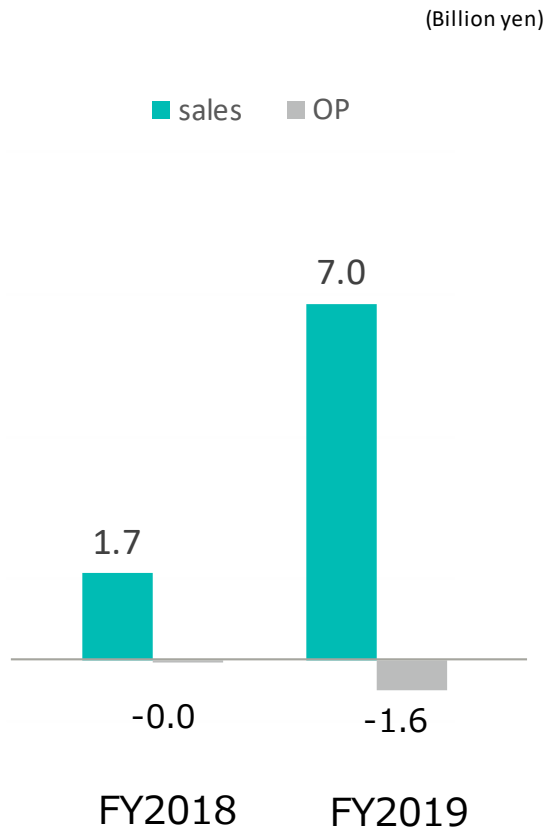
### ◆ Developing synergies in Group-wide measures

- Employing a wide range of engineers who can handle upstream to downstream operations including manufacturing and system development, operation and administration etc. to aim to provide diversified solutions for development themes such as IoT.
- Strengthen cross selling among three business segments and deepen transactions with important customers
- Expand existing business (including IoT business)

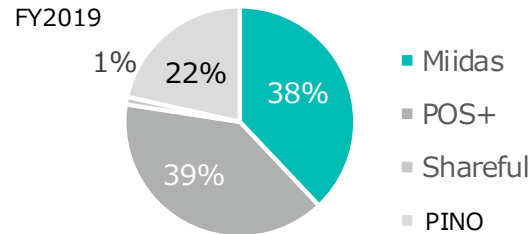
# Solution SBU

Aggressively entering into new areas by utilizing digital technology and developing new solutions

## Business Results (restated)



## Composition of Sales



Revenue recognition for Miidas has changed since FY2020

## Competitive Advantages and Strategic Direction

- Investment in new areas
- Developing new models of based business

### ◆ Investment on prospective business and business development to be a new business pillar of PERSOL Group

- Obtain new markets through digitalization of based businesses
- Introduction of new workforce that is collaborations of human and technology (Digital Workforce)
- Challenge in new areas to realize the corporate slogan "Work, and Smile"

### ◆ Details of business

#### Main business

- MIIDAS: Planning, development and operation of "MIIDAS" which is an assessment recruiting platform
- Shareful: Personnel outsourcing business including offer of on-demand matching platform, placement service and payroll calculation
- POS+: offering mobile POS service

#### New business

- Create new businesses under the incubation program "Drit"
- Introduction to new fields through M&A and business alliances

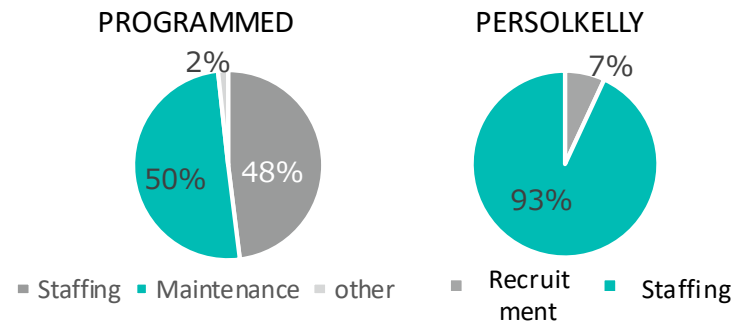
# Asia Pacific (APAC) SBU

APAC SBU pursues the synergy effect, utilizing the management resources of PROGRAMMED and PERSOLKELLY, and focuses on establishing a stable profit base.

## Business Results (restated)



## Composition of Sales



## Competitive Advantages and Strategic Direction

### PROGRAMMED

- Stable Maintenance business
- Highest market share\* of blue-collar worker staffing

### PERSOLKELLY

- The largest number of regional coverage in APAC region as a foreign company
- Highest market share\* of staffing business in Singapore and Malaysia
- Highest market share\* of recruitment business for Japanese companies in China

### • Enforcement of reorganization

- Combination of business for expansion in APAC
- Cost reduction by integrating back-office operation of two companies
- Utilize the management resource and know-how of PROGRAMMED for APAC SBU

### • PROGRAMMED: Enhancement of white-collar worker staffing operations

- Integrate PERSOLKELLY Australia with PROGRAMMED to enhance white-collar staffing and recruitment operations
- Improve profitability by increasing the number of SME customers in blue-collar staffing operations
- Accelerate cost reduction by integrating back-office operation across APAC

### • PERSOLKELLY: Growth investment at each stage

- Mature markets : Improve productivity by increased use of technologies
- Growing markets : Increase headcounts by expanding market share aggressively

\* A survey by PERSOL

# Disclaimer

Results forecasts etc. used in this material contain forward-looking statements which are based on a certain number of assumptions the Company deems rational, and the information at hand as of August 12, 2020 which are not meant in any way by the Company 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.