



To Shareholders and Investors
PERSOL REPORT

Full-year business report for the
fiscal year ended March 2018

April 1, 2017 to March 31, 2018

PERSOL HOLDINGS CO., LTD.
(Securities code: 2181)

**Work, and
Smile**


PERSOL

Create social infrastructure for people and organizations that catalyze growth and innovation.



PROFILE

Masamichi Mizuta

President, Chief Executive Officer, and Representative Director

Joined Tempstaff Co., Ltd. (presently, PERSOL TEMPSTAFF CO., LTD.) in 1988. Became Head of the Sales Headquarters and Director in 1995, Head of the East Japan Sales Headquarters and Executive Managing Director in 2006, Executive Vice President in 2010, and Executive Vice President and Representative Director in 2012. He has been in charge of the sales division throughout his career. In 2013, he assumed the post of President and Representative Director. He has also served as Chairman of the Japan Staffing Services Association, and Chairman of the Japan Association of Human Resources Services Industry. His motto is "Little Things Make a Big Difference."



Group's vision
 Create social infrastructure for people and organizations that catalyze growth and innovation.

Overview of FY 2018

Amid the ongoing mild economic recovery, the employment environment continues to enjoy an upward trend as witnessed in the active number of vacancies which recorded the highest in the past 44 years. On the back of generally robust demand for human resources from companies, the PERSOL Group promotes its business aggressively. While we continued to invest in activities towards the increase in recognition of our new brand "PERSOL," net sales and operating income for the fiscal year under review reached historic highs of 722.1 billion yen and 36.0 billion yen, respectively. Meanwhile, due to various factors, some consolidated subsidiaries in the PERSOLKELLY segment and the advertising business in the Recruiting segment failed to achieve the target revenues as initially expected following the company acquisition, resulting in recording impairment losses on goodwill, etc. during the fiscal year under review. All the management takes this matter seriously and is firmly determined to take advantage of this lesson learned for future businesses.

Joy of work for everyone!

With the approval of our shareholders, we marked a fresh start under the corporate name of PERSOL HOLDINGS CO., LTD. on July 1, 2017.

We are in the midst of the age of decreasing workforce which is anticipated to continue into the future. With the purpose of activating employment in such a situation, the provision of employment opportunities that match the capabilities and desires of those in various generations and lifestyles is required. For example, work to which those in senior generations can apply their abundant experience and knowledge; and other kinds of work that fit those with lifestyles restricted by childcare or other commitments. We will create a lot of working opportunities by pursuing "the realization of diversified working styles," by eliminating barriers of employment patterns between fixed-term and indefinite-term employment, or full-time and part-time employment, and positive introduction of teleworking systems.

When the workstyle options increase, the importance of matching will also rise to precisely link a job seeker to the most suitable work for such a person. We are in the age of excessive information. It is also critical to enhance web functions to realize highly sophisticated matching by selecting the desired information accurately, and including the viewpoint of "mobile first." Furthermore, we will pursue "minimization of employment mismatches" by focusing on using new technologies such as HR tech.

We are aware that in order to "realize diversified working styles" and "minimize employment mismatches," it is indispensable for us to demonstrate the comprehensive capabilities of the PERSOL Group. Through our efforts to improve recognition of the corporate group as a unified entity by inserting the name "PERSOL" into the name of each Group company, we will work on solving every kind of challenge associated with labor and employment by creating further group synergies.

Aiming to realize "social infrastructure that catalyzes growth and innovation" in the Asia-Pacific region

We promote our business in the Asia-Pacific region (hereinafter, "the APAC region") as one of our new revenue sources. As part of such effort, we converted Programmed*, an Australian major staffing and facility management services company, into a consolidated subsidiary in October 2017. Taking this opportunity, we will contribute to the promotion of borderless personnel exchanges in this region by further improving our presence in the APAC region. Based on our group vision "Create social infrastructure for people and organizations that catalyzes growth and innovation," we will support personnel development across the globe.

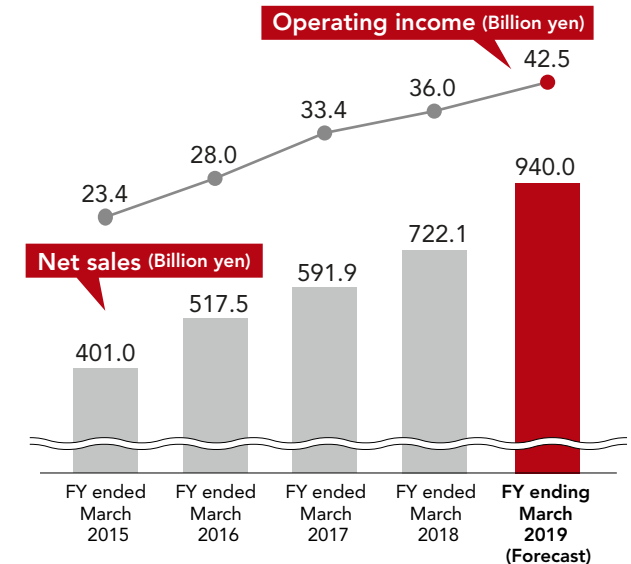
*Programmed Maintenance Services Limited

Financial Highlights

(Highlights of the consolidated fiscal year ended March 2018)

Record-high performance in both net sales and operating income

Net sales 722.1 billion yen UP 22.0% Y-O-Y	Operating income 36.0 billion yen UP 8.0% Y-O-Y
Profit attributable to owners of parent 7.7 billion yen DOWN 56.4% Y-O-Y	Year-end Dividend per share 10 yen



The "PERSOL" structure moving forward

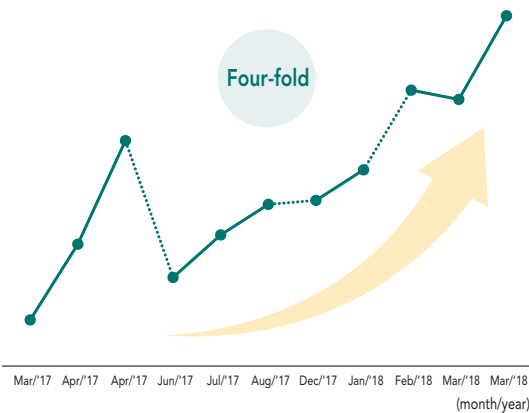
Brand Development

We launched TV commercials and ads on public transportation facilities.



Recognition of the Group

The degree of recognition of the Group has increased almost four-fold since we began promotions.

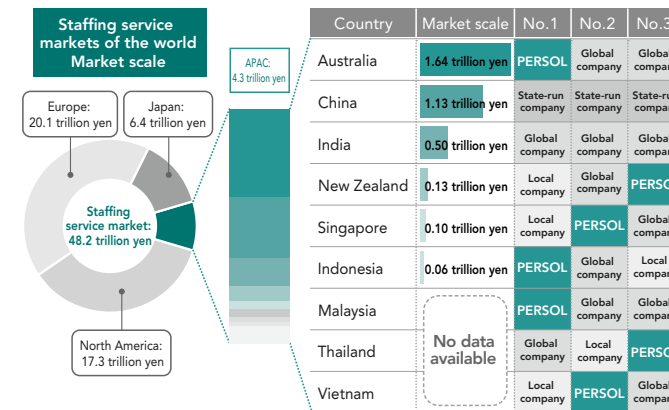


* In the line graph, the solid line represents the change during the promotion period while the broken line indicates the change during the non-promotion period.
* Source: NRI Insight Signal Survey (Recognition Indicator of PERSOL Brand Logo in the Kanto region)

Business development outside Japan

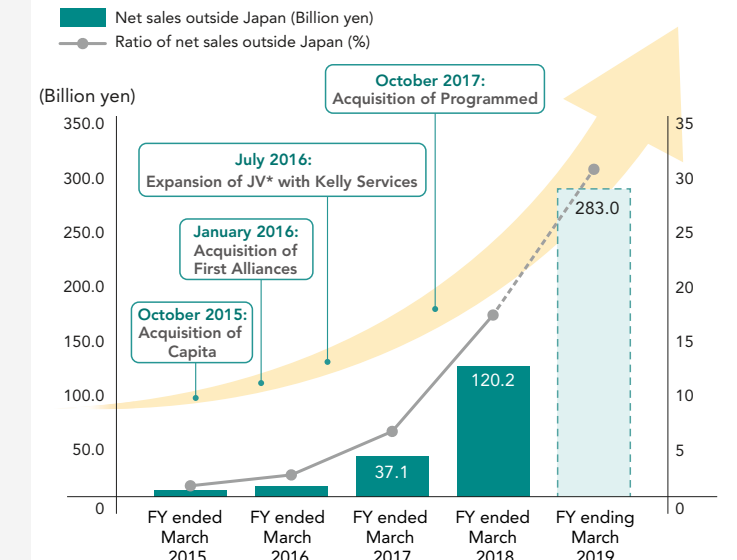
Increasing our presence in the APAC region

In major countries, PERSOL has already gained a TOP3 position in the market.



Source: Prepared by PERSOL based on various materials. The yen value was calculated using the foreign exchange rate as of September 30, 2017.

Trend of overseas sales



* JV stands for Joint Venture.

Brand development

A new promotion of the PERSOL brand was launched nationwide in January 2018. Since March 2017, the PERSOL Group has developed ads conveying the slogan "Work, and Smile" which represent our view of the world, by appointing Mr. Steve Wozniak, the world-famous engineering icon who built the foundation of the modern computer industry, and Ms. Carmen Dell'Orefice, the 86-year-old active top model. Our brand slogan "Work, and Smile" contains our thoughts that we want to support every working person to make working itself brighter which will lead to enjoying life. Our new ads express how Japanese workers felt about our previous

ads with the slogan "Work, and Smile." These are "the ads responding to the previous ones" which convey the real voices of business persons going through a dilemma or an emotional conflict but wanting to work hard to move forward. Through a series of our promotions, we have received a lot of responses, which makes us feel that the recognition of the PERSOL Group has significantly increased. Going forward, the PERSOL Group, as the business group that provides support to all working people, will strive to help more people realize "Work, and Smile."

Business development outside Japan

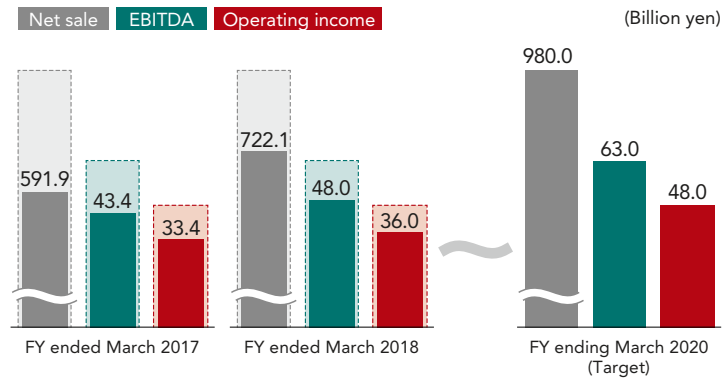
With the aim of realizing its Group vision "Create social infrastructure for people and organizations that catalyzes growth and innovation," the PERSOL Group promotes the priority measures to expand business in the APAC region as part of its overseas development, in addition to the domestic business. We have enhanced our business foundation through the expansion of the joint venture with Kelly Services as well as the acquisition of major staffing service companies in the APAC region. Under these circumstances, in October 2017, we acquired all outstanding shares in Programmed, a staffing services and facility maintenance services

company operating mainly in Australia. Considering that Australia is the second largest market after Japan in terms of the staffing service industry in the APAC region, the overseas development of the PERSOL Group has advanced further after Programmed, the major Australian staffing service company, joined the PERSOL Group. Toward the future, in addition to robust growth in domestic businesses, we will focus on two segments engaging in overseas business by making investments and improving business structures that fit the status of each segment in pursuit of growth of business that may support the PERSOL Group in the future.

Progress of the Medium-term Management Plan

Target Performance

Ongoing business expansion efforts will be conducted towards the achievement of the Medium-term Management Plan.



Preconditions

- GDP growth: Moderate growth (+0.0 to around 1.0%)
- Active opening rate: Demand will continue on the back of economic growth and structural factors. (1.0 to around 1.2 times)

Strategy Overview of the Medium-term Management Plan

The following five points are set as the pillars of the Medium-term Management Plan

- Strategy 1: Enhancing Awareness of the PERSOL Group
- Strategy 2: Investing in IT Systems and Enhancing Productivity for Further Business Growth
- Strategy 3: Creating Group Synergies and Promoting Group Management
- Strategy 4: Enhancing Our Presence in the Asia-Pacific Region
- Strategy 5: Strengthening Business Platform and Expanding Service Domains through M&A

Progress of the Medium-term Management Plan

The mission of the PERSOL Group is to contribute to society through our earnest initiatives aiming at the realization of new forms of employment and work styles by creating labor markets which can flexibly respond to economic situations and social requirements that may change with the times.

We formulated the Medium-term Management Plan towards the fiscal year ending March 2020 as the road map to fulfil our mission. Based on the five strategies, we have strived to achieve the numerical targets for the fiscal year ending March 2020, which are 750.0 billion yen in net sales, 60.0 billion yen in

EBITDA and 45.0 billion yen in operating income. Following the inclusion of Programmed in the PERSOL Group last year, net sales are expected to increase significantly. As a consequence, we revised upward the target figures of the Medium-term Management Plan, to 980.0 billion yen in net sales, 63.0 billion yen in EBITDA and 48.0 billion yen in operating income. We will continue to aggressively invest in the existing businesses with the aim of further generating Group synergies, and further improving corporate value by promoting integration processes to concentrate our efforts in the overseas businesses.

“Work, and Smile.” With this brand slogan, the PERSOL Group offers assistance to all working people in various forms.

In April 2018, we became the sole sponsor of a new TV program “Genbabito.”

We started to sponsor the TV program “Genbabito” which is a documentary of unknown people who work day by day at the forefront of various industries.

In depth coverage of the know-how, skills and thoughts of these working people is broadcast in a documentary style. During the commercial breaks, we broadcast service messages of “Tempstaff,” “DODA,” “an,” etc.

We will make the program a source of energy for those who will start work from the next Monday. (The program is produced by CBC and airs at 23:30 on Sundays via the nationwide network of the 28 TBS-affiliated stations.)



“Genbabito” recording studio

The PERSOL Group, a new official sponsor of professional baseball of the Pacific League

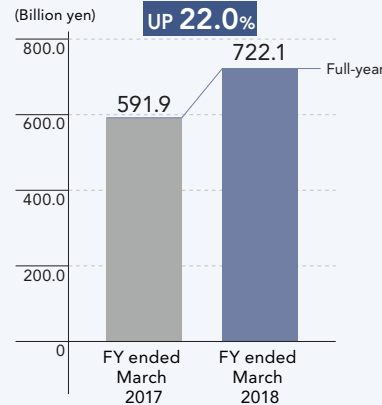
The PERSOL Group has become an official sponsor of the 2018 Pacific League, thereby our efforts to increase the recognition and improve favorable impression of the Group brand will be targeted towards the many baseball fans. Included in such activities are: holding baseball games with the sponsor’s name for six baseball teams (Hokkaido Nippon-Ham Fighters, Tohoku Rakuten Golden Eagles, Saitama Seibu Lions, Chiba Lotte Marines, Orix Buffaloes, and Fukuoka SoftBank Hawks) as well as “PERSOL Pacific League Climax Series 2018,” which are our crown games, and broadcasting the Pacific League official live video streaming service titled “PERSOL Pacific League TV.”

PACIFIC LEAGUE OFFICIAL SPONSOR



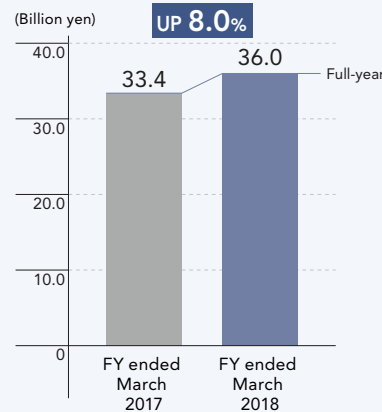
Net Sales

Amid the recovery trend of the Japanese economy, the human resource services market as a whole showed a growth trend with significant demand on the back of the labor shortage that continued from the previous fiscal year. Driven by the strong market environment, the PERSOL Group witnessed good results in the temporary staffing business, our core business, in which the number of dispatched workers remained at a high level, and the recruitment support business, in which the number of persons achieving a career change increased significantly. Furthermore, as a result of our business expansion efforts through M&A outside Japan, net sales for the fiscal year ended March 2018 were 722.1 billion yen (an increase of 22.0% year on year).



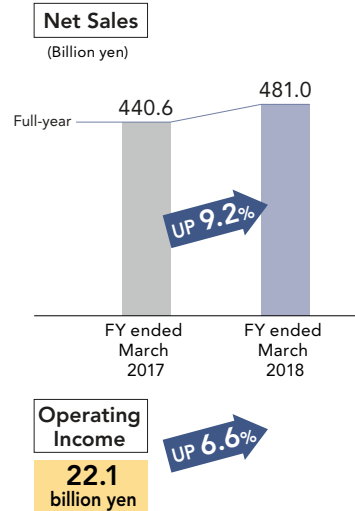
Operating Income

Although expenses increased due to measures implemented by each business segment to increase personnel, as well as investments to boost the profile of our Group brand "PERSOL," operating income for the fiscal year ended March 2018 increased 8.0% year on year, to 36.0 billion yen as a result of growth in net sales mainly in the Temporary staffing/BPO and Recruiting segments.



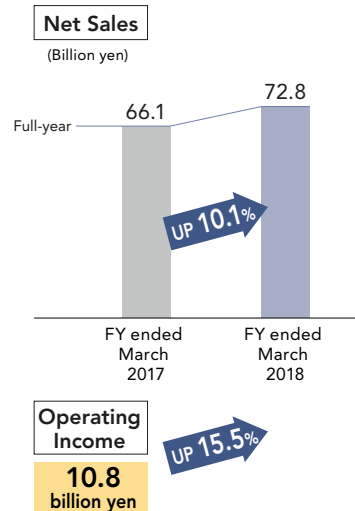
Temporary Staffing/BPO segment

Demand continued to hover at a high level accompanied by a structural labor shortage from the previous fiscal year, reflecting a further improvement in employment-related indices. In response to the demand, we implemented a variety of measures for supplying personnel, which contributed to growth in net sales reaching 481.0 billion yen. As for profit, operating income reached 22.1 billion yen, mostly reflecting the increase in net sales despite the increase in labor costs incurred in the business expansion and the burden of expenses borne with respect to system investments such as the renewal of mission-critical systems aimed at future growth.



Recruiting segment

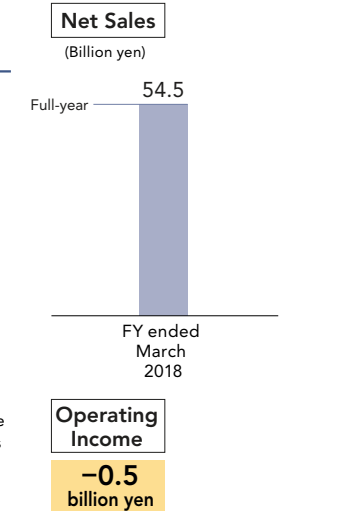
Net sales increased significantly to 72.8 billion yen as a result of the reinforcement of the sales system by increasing personnel in response to robust demand mainly in the domestic recruitment support business. As for profit, operating income surged to 10.8 billion yen due to a significant increase in net sales, which surpassed the increase in labor cost and promotion expenses arising mostly from the business expansion and expenditure towards structural reform of the job offer advertisement business.



PROGRAMMED segment

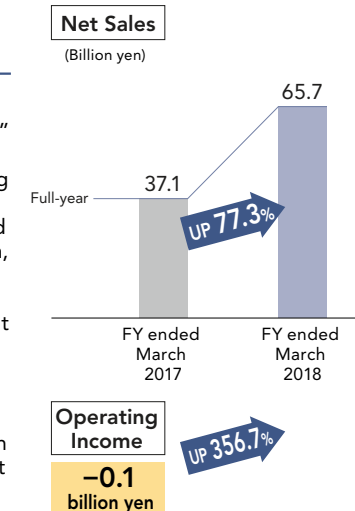
Since the fourth quarter, we have included the operating results of Programmed Maintenance Services Limited, an Australian company engaging in staffing and facility management services, which we acquired in October 2017. Robust net sales were recorded mainly in facility management services. As for profit, operating loss was 0.5 billion yen due to the stock acquisition-related expenses associated with the stock acquisition of the same company.

* This segment was newly established following the acquisition of Programmed Maintenance Services Limited. Therefore, the year-on-year comparison and the related analysis are not provided herein.



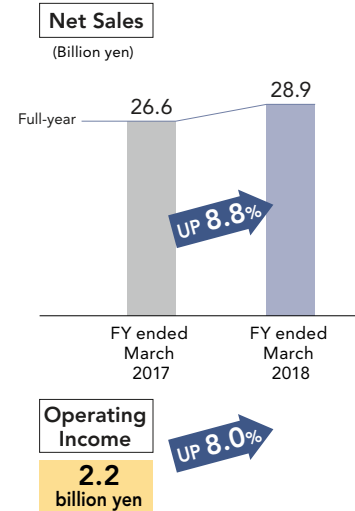
PERSOLKELLY segment

This segment had been newly established as the "Overseas segment" in the first quarter, but was renamed the "PERSOLKELLY segment" following the establishment of the "PROGRAMMED segment" in the third quarter. Net sales were 65.7 billion yen, supported by the business expansion resulting from the impact of the increased scope of business of our joint ventures as well as strong demand in the Asia-Pacific region in which we operate. As for profit, operating loss was 0.1 billion yen as a result of improving the regional control function and reinforcing sales systems in pursuit of medium-term business growth.



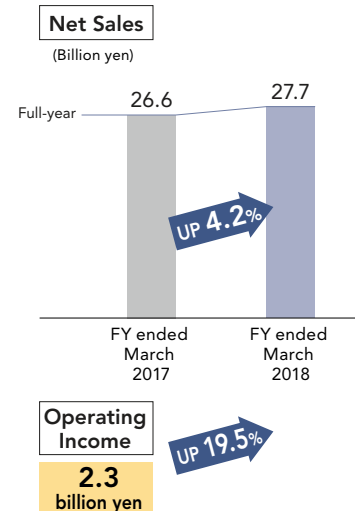
ITO segment

Net sales were 28.9 billion yen reflecting robust demand for SI-related services on the back of growth in investment in system-related services by our customer companies as well as internal system development in the Group companies. In terms of profit, operating income increased to 2.2 billion yen reflecting a significant growth in net sales despite a rise in costs for improvement of conditions aimed at restraining retirement and employment of new engineers and due to the increase in expenses incurred associated with the increase in floor area and improvement of the workplace environment at the Head Office.



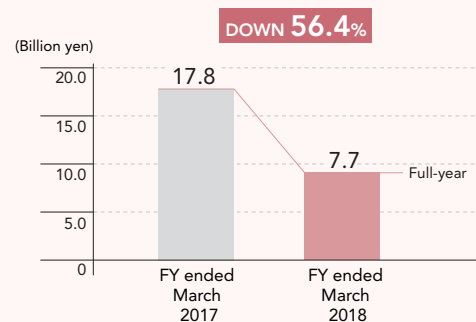
Engineering segment

Reflecting continued strong demand for personnel mostly from the electronic device and automobile industries, etc., net sales kept robust growth reaching 27.7 billion yen. As for profit, operating income was 2.3 billion yen mainly as a result of the operating ratio of the existing engineers which hovered at a high level.



Profit Attributable to Owners of Parent

Profit attributable to owners of parent remained at 7.7 billion yen (a decrease of 56.4% year on year) due to an impairment loss in goodwill, etc. based on our decision that the businesses operated by some subsidiaries under the brand name "PERSOLKELLY" in the Asia Pacific region and that the job offer advertisement business operated under the brand name "an" would be unable to achieve the initially expected business results.



Dividend per Share

In consideration of the comprehensive situation including steady growth in performance and financial position, we have decided to increase the year-end dividend for the fiscal year ended March 31, 2018 from the initially planned 9 yen per share to 10 yen, an increase of 1 yen.

(Yen)	FY ended March 2017	FY ended March 2018
First six-month period	8.00	9.00
Year-end	9.00	10.00

Balance Sheet

	March 31, 2017	March 31, 2018	Change
(Billion yen)			
Assets	268.3	403.4	135.1
① Current assets	165.2	235.4	70.2
Cash and deposits	69.4	89.6	20.1
Non-current assets	103.1	167.9	64.8
② Trademark and goodwill	73.5	113.2	39.7
Liabilities	114.5	243.4	128.9
③ Current liabilities	87.9	217.1	129.1
Current portion of long-term loans payable	5.0	89.9	84.8
④ Non-current liabilities	26.6	26.3	(0.2)
Long-term loans payable	20.4	15.7	(4.7)
Net assets	153.8	159.9	6.1
Shareholders' equity	139.1	145.5	6.4
Capital stock	17.4	17.4	0
Capital surplus	20.1	20.1	0
⑤ Retained earnings	102.4	105.9	3.5
Non-controlling interests	14.6	14.4	(0.2)

POINT 1

Increases in cash and deposits, and decreases in notes and accounts receivable-trade

POINT 2

Increases due to M&A

POINT 3

Increases in short-term loans payable
Increases in accounts payable-other and accrued consumption taxes

POINT 4

Decreases in long-term loans payable

POINT 5

Increases due to growth of profits

Please visit our website for more detailed IR information.
The website of PERSOL HOLDINGS: <https://www.persol-group.co.jp/>

Company Profile

(As of March 31, 2018)

Company Name: PERSOL HOLDINGS CO., LTD.
Established: October 1, 2008
Head Office: 2-1-1 Yoyogi, Shibuya-ku, Tokyo, Japan
Type of Business: Management planning, administration and operations related to subsidiary and group companies that handle temporary staffing and placement services
Capital: 17,467 million yen

Members of the Board

(As of June 26, 2018)

Chairman Emeritus	Yoshiko Shinohara
Representative Director, President and CEO	Masamichi Mizuta
Director, Deputy President, and COO	Hirotohi Takahashi
Director, Senior Executive Officer	Takao Wada
Director, Executive Officer	Toshihiro Ozawa
Director, Executive Officer	Kiyoshi Seki
External Director	Ryosuke Tamakoshi
External Director	Peter W. Quigley
Director	Hiroshi Shimazaki
External Director	Naoshige Shindo
External Director	Naohiro Nishiguchi
External Director	Chisa Enomoto
Executive Officer	Daisuke Hayashi
Executive Officer	Hirota Mino
Executive Officer	Taro Mineo
Executive Officer	Takayuki Yamazaki
Executive Officer	Mikio Miyamura
Executive Officer	Toshiyuki Takakura
Executive Officer	Shinji Masaki
Executive Officer	Kazunari Kimura
Executive Officer	Yu Senoo

Stock Information

(As of March 31, 2018)

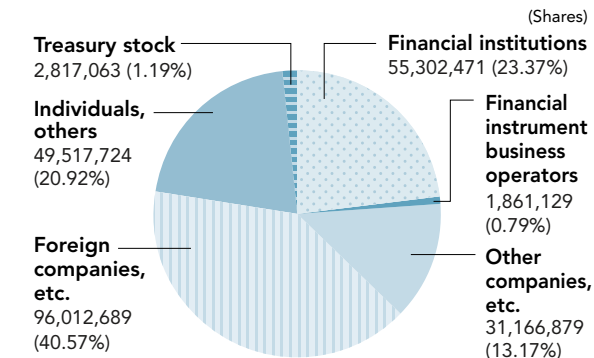
- Authorized number of shares 720,000,000
- Total number of shares issued 236,677,955
- Number of shareholders 8,961
- Major shareholders

Name of shareholder	Number of shares held	Shareholding ratio (%)
Yoshiko Shinohara	26,331,600	11.25
The Yoshiko Shinohara Memorial Foundation	15,800,000	6.75
Japan Trustee Services Bank, Ltd. (Trust Account)	12,846,200	5.49
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,615,300	4.53
Kelly Services Japan, Inc.	9,106,800	3.89
Yoshimi Shinohara	4,438,400	1.89
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,696,000	1.58
BBH FOR MATTHEWS JAPAN FUND	3,413,600	1.45
THE BANK OF NEW YORK 133524	3,390,900	1.44
JP MORGAN CHASE BANK 385632	3,378,825	1.44

* The shareholding ratio is calculated based on the number of shares (233,860,892) obtained by deducting the number of shares in the treasury stock from the total number of shares outstanding.
* The shareholding ratio (%) is rounded down to the second decimal place.

Distribution of Shareholders

(As of March 31, 2018)



* The shareholding ratio (%) is rounded off to the second decimal place.

Shareholder Information

Business year	From April 1 to March 31 of the following year
Annual general meeting of shareholders	Late June
Record dates	Annual general meeting of shareholders: March 31 Year-end dividend: March 31 Interim dividend: September 30
Administrator of shareholders' register Special account management institution	Mitsubishi UFJ Trust and Banking Corporation
Contact	Custody Service Department Mitsubishi UFJ Trust and Banking Corporation 1-1 Nikko-cho, Fuchu City, Tokyo 183-0044, JAPAN Telephone: 0120-232-711 (Toll free available only in Japan) URL https://www.tr.mufg.jp/daikou/
Stock listing	Tokyo Stock Exchange, First Section
Public notices	Electronic public notice The website of the public notice: https://www.persol-group.co.jp/ (If electric public notices are not possible due to accidents or other unavoidable circumstances, announcements will appear in the Nihon Keizai Shimbun newspaper.)

Procedures for Shares

Shares registered in the accounts of securities companies

■ Procedures, inquiries, etc.	■ Contact
<input type="radio"/> Inquiries about the sending and returning of mails <input type="radio"/> Inquiries about dividends after the expiration of the payment period <input type="radio"/> General inquiries about administrative work relating to shares	Administrator of shareholders' register Custody Service Department Mitsubishi UFJ Trust and Banking Corporation 1-1 Nikko-cho, Fuchu City, Tokyo 183-0044, JAPAN Telephone: 0120-232-711 (Toll free available only in Japan)
<input type="radio"/> Procedures and inquiries other than those stated above, such as changes in address, name, etc.	Please contact your securities company.

Securities registered in the special account

■ Procedures, inquiries, etc.	■ Contact
<input type="radio"/> Requests for transfer from a special account to a general account <input type="radio"/> Changes in address, name, etc. <input type="radio"/> Inquiries about account balance <input type="radio"/> Designation of method for receiving dividends ^(*)	Special account management institution Custody Service Department Mitsubishi UFJ Trust and Banking Corporation 1-1 Nikko-cho, Fuchu City, Tokyo 183-0044, JAPAN Telephone: 0120-232-711 (Toll free available only in Japan)
<input type="radio"/> Inquiries about the sending and returning of mails <input type="radio"/> Inquiries about dividends after the expiration of the payment period <input type="radio"/> General inquiries about administrative work relating to shares	Administrator of shareholders' register <div style="background-color: #f0f0f0; padding: 5px;"> <p>Method for requesting procedural documents</p> <p><input type="radio"/> Download documents online: https://www.tr.mufg.jp/daikou/</p> </div>

(*) Shareholders holding shares registered in the special account may not choose the method of receiving dividends in proportion to the number of shares held.



PERSOL HOLDINGS was selected as a component of the JPX-Nikkei Index 400 in August 2014.

What is the JPX-Nikkei Index 400?

It is a new stock price index composed of stock of companies that meet the requirements of global investment standards, including the effective use of capital, an investor-conscious management viewpoint, etc., which was established with the aim of promoting the attractiveness of Japanese companies to both investors at home and abroad.



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* Matters stated in this report include statements concerning the Company's plans and forecasts for the future. Actual earnings may differ materially from the statements due to a variety of factors, and the statements do not mean that we promise to achieve these figures.



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