(English Translation)
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August 7, 2019

Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2020 (Three Months Ended June 30, 2019)

[IFRS]

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Scheduled date of filing of Quarterly Report: August 7, 2019
Scheduled date of payment of dividend: -
Preparation of supplementary materials for quarterly financial results: Yes
Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three Months Ended June 30, 2019 (April 1, 2019 – June 30, 2019)

(1) Consolidated operating results (Percentages represent year-on-year changes)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 30, 2019	29,372	26.6	1,097	111.2	1,069	103.8	708	169.5	652	225.3	310	4.1
Three months ended Jun. 30, 2018	23,196	-	519	-	524	-	262	-	200	-	298	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended Jun. 30, 2019	29.36	28.68
Three months ended Jun. 30, 2018	9.07	8.80

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Million yen	Million yen	Million yen	%
As of Jun. 30, 2019	44,171	3,713	3,047	6.9
As of Mar. 31, 2019	42,593	4,831	4,206	9.9

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2019	-	0.00	-	18.00	18.00
Fiscal year ending Mar. 31, 2020	-				
Fiscal year ending Mar. 31, 2020 (forecasts)		0.00	-	18.00	18.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2020 (April 1, 2019 – March 31, 2020)

(Percentages represent year-on-year changes)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	58,000	-	1,400	-	1,400	-	800	-	650	-	29.21
Full year	120,000	16.2	4,000	34.3	3,800	31.1	2,300	31.4	1,970	26.7	88.54

Note: Revisions to the most recently announced consolidated forecast: None

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in scope of consolidation): None

Newly added: -	Name: -	Excluded: -	Name: -

(2) Changes in accounting policies and accounting-based estimates

1) Changes in accounting policies required by IFRS: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

(3) Number of outstanding shares (common stock)

1) Number of shares outstanding at the end of period (including treasury shares)

As of Jun. 30, 2019:	22,255,200 shares	As of Mar. 31, 2019:	22,242,400 shares

2) Number of treasury shares at the end of period

As of Jun. 30, 2019:	6,303 shares	As of Mar. 31, 2019:	6,303 shares

3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2019:	22,239,597 shares	Three months ended Jun. 30, 2018:	22,121,532 shares

* This quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

* Explanation of appropriate use of earnings forecasts and other special items

Forecasts of future performance in this report are based on assumptions judged to be valid and information available to the Company's management at the time the materials were prepared, but are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 5 for forecast assumptions and notes of caution for usage.

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first quarter of the fiscal year ending March 31, 2020 (the “period under review”), the Japanese economy remained on a moderate recovery track, backed mainly by continued improvement in the labor market and personal income. Nevertheless, its outlook is still unclear due to uncertainties in the international economy over issues such as the U.S.-China trade tensions and the UK’s withdrawal from the European Union (EU) (Brexit). The human resources service market in Japan, however, continued to grow, with a job openings-to-applicants ratio as high as 1.6, driven by strong demand on the back of persistent labor shortage, the enactment of working style reforms and other supportive factors.

The Company and its subsidiaries (the “Group”) are guided by the mission of serving as an agent of change to bring about positive changes to both individuals and organizations. By upgrading specialized skills in all our businesses, we have sought to improve customer satisfaction and further differentiate our services. One goal is to raise our in-store share, which is our temporary staffing and consignment workers as a percentage of all these workers at a client company. In addition, the Company converted u&u Holdings Pty Ltd, a company providing temporary staffing and permanent placement services mainly to government agencies and major corporations in Australia, and other two companies into consolidated subsidiaries in April 2019.

As a result, for the period under review, the Company reported consolidated revenue of 29,372 million yen (up 26.6% year on year), operating profit of 1,097 million yen (up 111.2%), profit before tax of 1,069 million yen (up 103.8%), profit of 708 million yen (up 169.5%) and profit attributable to owners of parent of 652 million yen (up 225.3%). EBITDA (operating profit + depreciation and amortization) was 1,503 million yen (up 75.9%).

Results by operating segment were as follows.

Sales Outsourcing Business

The store sales and other personnel staffing service business continued to enjoy solid demand for sales personnel, and thus, concentrated on raising its in-store share with existing client companies and expanding consignment service. While the business environment for the core telecommunications sector remained challenging due primarily to the effect of a reduction in monthly communication charges and decreased domestic shipment of smartphones, we strived to increase the proportion of full-time regular employees working on-site and to improve the margin of the consignment service. We also sought to expand business outside the telecommunications sector through efforts to win more orders for temporary staffing service from the apparel industry, expand the consignment service, and undertake sales and marketing for settlement services on behalf of customers. The sales promotion service also enjoyed increased orders for retail support and marketing campaigns from major IT companies and orders for private seminars and exhibitions from other companies backed by growing momentum among client companies for a full-fledged transition to “Windows10” ahead of planned termination of support services for “Windows7.”

For the period under review, earnings for this business segment increased mainly due to improved gross profit margin, realized through reduction of outsourcing expenses, despite a decrease in incentive income from the telecommunications sector.

As a result, the segment recorded revenue of 5,385 million yen (up 0.3% year on year) and segment profit of 374 million yen (up 32.8%).

Call Center Outsourcing Business

The call center and office personnel staffing service business enjoyed increasing demand for outsourcing services from companies that are short of human resources and thus are in need of enhancing their operational efficiency. While the competition for recruiting employees has been increasingly fierce, we focused especially on increasing orders from financial institutions and orders for in-house projects that are more profitable, to expand the target markets for its service and ultimately improve its gross profit margin.

For the period under review, earnings for this business segment increased, driven by improved gross profit margin, which was realized with a higher proportion of financial institutions and in-house projects in all orders; and a reduction in sales and general administrative expenses, which was realized through improved productivity.

As a result, the segment recorded revenue of 3,868 million yen (down 0.9% year on year) and segment profit of 227 million yen (up 73.5%).

Factory Outsourcing Business

The manufacturing and other personnel staffing service business benefited from solid demand for prepared food items and for desserts and bento lunch boxes sold at convenience stores. In this business segment, on the back of such solid demand, we focused on increasing business with customers, especially food manufacturers; and expanding into new domains other than the food sector, such as the cosmetics sector. On the recruitment side, we continued to strengthen the recruitment of foreign workers and sought to improve their retention rate by increasing the number of foreign staff working as field supporters (full-time regular employees working on-site).

While there were up-front expenses for the expansion of operations to more areas of Japan in the same period of the previous fiscal year, the segment's profit increased driven by improved margins coupled with successful expansion of customer base in new locations, revisions to contract terms with existing customers, and improved gross profit margin through expansion of orders for consignment services.

As a result, the segment recorded revenue of 5,818 million yen (up 23.0% year on year) and segment profit of 335 million yen (up 69.9%).

Care Support Business

In the nursing care personnel staffing service business, which had almost completed the expansion of its branch network in the previous fiscal year, we focused on turning the business profitable through efforts to enhance the permanent placement of caregivers, leveraging our nationwide network, and to support the recruitment of interns for companies interested in hiring foreign nursing care staff.

For the period under review, earnings for this business segment increased, backed by revisions to contract terms with existing customers; improved gross profit margin, realized through increased sales from permanent placement services; and an increase in the number of locations that have continued to operate for more than three years, a benchmark to measure whether the business is able to earn meaningful profits in the years ahead.

As a result, the segment recorded revenue of 2,586 million yen (up 25.1% year on year) and segment profit of 54 million yen (compared with segment loss of 20 million yen a year earlier).

Overseas Human Resources Business

In the Overseas Human Resources Business, which has an operating presence in the ASEAN and Oceania regions, the consolidated subsidiaries in Singapore and Australia performed strongly. In addition, Quay Appointments Pty Ltd and two other companies, which became consolidated subsidiaries in September 2018; The Chapman Consulting Group Pte. Ltd. and six other companies, which became consolidated subsidiaries in January 2019; and u&u Holdings Pty Ltd and two other companies, which became consolidated subsidiaries in April 2019, contributed to the segment's earnings.

For the period under review, earnings for this business segment decreased, on the back of higher management costs for the intermediary holding company due to an increase in the number of overseas subsidiaries, and upfront investments made at subsidiaries, despite contribution to earnings of newly consolidated subsidiaries.

As a result, the segment recorded revenue of 9,107 million yen (up 56.8% year on year) and segment profit of 246 million yen (down 7.9%).

HR Support Business for Startups

For the HR support services for venture firms that belong to growth industries, the market has gained momentum, helped by government-backed support initiatives like "J-Startup" and increasing equity investments by venture capitals. In the internet industry where many of the companies seeking employees belong, with the advent of diverse services related to AI and IoT, the demand for human resources is on the rise. In fact, the business received strong orders for its human resource services during the period under review. We also started the data linkage between "STARTUP DB," an information platform that integrates a database of startups, and "Crunchbase," the world's largest database of startups in the U.S., to evolve these databases into an information platform spanning growth companies both in Japan and abroad.

For the period under review, earnings for this business segment increased, on the back of improved productivity coupled with expansion and diversification of its business domains.

As a result, the segment recorded revenue of 261 million yen (up 6.3% year on year) and segment profit of 61 million yen (up 19.6%).

Others

Temporary staffing for assistant language teachers (ALT) and temporary and permanent placement services for nursery school personnel grew steadily. In addition, C4 inc., providing temporary and permanent placement services for construction management engineers and converted into a consolidated subsidiary in June 2018, has contributed to earnings since the beginning of the current fiscal year.

For the period under review, earnings for this business segment decreased on the back of upfront investments in the HRTech field as part of the efforts to develop new business, despite increased revenues through expansion of business into temporary and permanent placement of nursery school personnel and withdrawal from loss-making businesses in the previous fiscal year.

As a result, the segment recorded revenue of 2,344 million yen (up 68.1% year on year) and segment loss of 42 million yen (compared with segment profit of 40 million yen a year earlier).

(2) Explanation of Financial Position

1) Assets, liabilities and equity

Assets

Current assets at the end of the period under review amounted to 22,987 million yen, up 451 million yen from the end of the previous fiscal year. This is primarily due to increases in trade and other receivables of 661 million yen and other current assets of 290 million yen, which were offset by a decrease in cash and cash equivalents of 475 million yen.

Non-current assets amounted to 21,183 million yen at the end of the period under review, up 1,126 million yen from the end of the previous fiscal year. This is primarily due to an increase in goodwill of 1,307 million yen resulting from acquiring shares of u&u Holdings Pty Ltd and other two companies, which was partially offset by a decrease in deferred tax assets of 279 million yen.

As a result, total assets increased 1,577 million yen from the end of the previous fiscal year to 44,171 million yen.

Liabilities

Current liabilities at the end of the period under review amounted to 21,943 million yen, up 861 million yen from the end of the previous fiscal year. This is primarily due to increases in borrowings of 1,133 million yen and deposits received of 684 million yen included in other current liabilities, which were partially offset by a decrease in trade and other payables of 744 million yen.

Non-current liabilities amounted to 18,513 million yen at the end of the period under review, up 1,834 million yen from the end of the previous fiscal year. This is primarily due to increases in other financial liabilities of 1,209 million yen and borrowings of 984 million yen.

As a result, total liabilities increased 2,695 million yen from the end of the previous fiscal year to 40,457 million yen.

Equity

Total equity at the end of the period under review amounted to 3,713 million yen, down 1,118 million yen from the end of the previous fiscal year. This is primarily due to decreases in capital surplus of 1,032 million yen resulting primarily from granting written put options to non-controlling shareholders and exchange differences on translation of foreign operations of 410 million yen included in other components of equity, which were partially offset by an increase in retained earnings of 252 million yen.

As a result, the ratio of equity attributable to owners of parent to total assets declined to 6.9% compared with 9.9% at the end of the previous fiscal year.

The ratio of equity attributable to owners of parent to total assets after excluding unrealized sold put options declined to 15.4% compared with 16.1% at the end of the previous fiscal year.

2) Cash Flows

Cash and cash equivalents ("net cash") at the end of the period under review amounted to 6,386 million yen, down 475 million yen from the end of the previous fiscal year. The status of each component of cash flows for the period under review and factors of changes therein are as follows.

Cash flows from operating activities

Net cash provided by operating activities was 830 million yen, compared with 27 million yen provided in the same period a year earlier. This is primarily due to profit before tax of 1,069 million yen and depreciation and amortization of 405 million yen, which were partially offset by income taxes paid of 822 million yen.

Cash flows from investing activities

Net cash used in investing activities was 1,793 million yen, compared with 2,593 million yen used in the same period a year earlier. This is primarily due to purchase of investments in subsidiaries resulting in change in scope of consolidation of 1,504 million yen; and purchase of property, plant and equipment and intangible assets of 256 million yen.

Cash flows from financing activities

Net cash provided by financing activities was 479 million yen, compared with 641 million yen used in the same period a year earlier. This is primarily due to proceeds from long-term borrowings of 2,151 million yen, which was partially offset by purchase of investments in subsidiaries not resulting in change in scope of consolidation of 847 million yen and repayments of long-term borrowings of 735 million yen.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

There are no revisions to the consolidated earnings forecast for the fiscal year ending March 31, 2020, which was announced on May 13, 2019.

Forecasts are based on information currently available to the Company. Actual performance may differ from these forecasts for a number of reasons.

2. Condensed Quarterly Consolidated Financial Statements and Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	FY3/19 (As of Mar. 31, 2019)	First quarter of FY3/20 (As of Jun. 30, 2019)
Assets		
Current assets		
Cash and cash equivalents	6,862	6,386
Trade and other receivables	14,852	15,514
Other financial assets	144	119
Other current assets	677	967
Total current assets	22,536	22,987
Non-current assets		
Property, plant and equipment	1,420	1,401
Right-of-use assets	6,160	6,319
Goodwill	6,115	7,422
Other intangible assets	2,914	2,847
Other financial assets	959	993
Deferred tax assets	1,434	1,155
Other non-current assets	1,051	1,043
Total non-current assets	20,056	21,183
Total assets	42,593	44,171

(Millions of yen)

	FY3/19 (As of Mar. 31, 2019)	First quarter of FY3/20 (As of Jun. 30, 2019)
Liabilities		
Current liabilities		
Trade and other payables	12,872	12,127
Borrowings	3,924	5,058
Other financial liabilities	941	1,010
Income taxes payable	639	322
Other current liabilities	2,704	3,423
Total current liabilities	21,081	21,943
Non-current liabilities		
Borrowings	7,529	8,513
Other financial liabilities	8,169	9,378
Deferred tax liabilities	623	445
Other non-current liabilities	357	176
Total non-current liabilities	16,679	18,513
Total liabilities	37,761	40,457
Equity		
Share capital	2,017	2,019
Capital surplus	(1,733)	(2,765)
Treasury shares	(2)	(2)
Other components of equity	(612)	(995)
Retained earnings	4,538	4,790
Total equity attributable to owners of parent	4,206	3,047
Non-controlling interests	625	666
Total equity	4,831	3,713
Total liabilities and equity	42,593	44,171

(2) Condensed Quarterly Consolidated Statements of Profit or Loss and Comprehensive Income

Condensed Quarterly Consolidated Statement of Profit or Loss
(For the Three-month Period)

(Millions of yen)

	First three months of FY3/19 (Apr. 1, 2018 – Jun. 30, 2018)	First three months of FY3/20 (Apr. 1, 2019 – Jun. 30, 2019)
Revenue	23,196	29,372
Cost of sales	18,469	23,137
Gross profit	4,726	6,234
Selling, general and administrative expenses	4,227	5,155
Other income	21	21
Other expenses	1	3
Operating profit	519	1,097
Finance income	26	2
Finance costs	22	30
Profit before tax	524	1,069
Income tax expense	261	360
Profit	262	708
Profit attributable to		
Owners of parent	200	652
Non-controlling interests	62	55
Earnings per share		
Basic earnings per share (Yen)	9.07	29.36
Diluted earnings per share (Yen)	8.80	28.68

Condensed Quarterly Consolidated Statement of Comprehensive Income (For the Three-month Period)

(Millions of yen)

	First three months of FY3/19 (Apr. 1, 2018 – Jun. 30, 2018)	First three months of FY3/20 (Apr. 1, 2019 – Jun. 30, 2019)
Profit	262	708
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	55	8
Total of items that will not be reclassified to profit or loss	55	8
Items that may be reclassified to profit or loss		
Cash flow hedges	-	18
Exchange differences on translation of foreign operations	(20)	(425)
Total of items that may be reclassified to profit or loss	(20)	(406)
Other comprehensive income, net of tax	35	(397)
Comprehensive income	298	310
Comprehensive income attributable to		
Owners of parent	242	270
Non-controlling interests	55	40

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

First three months of FY3/19 (Apr. 1, 2018 – Jun. 30, 2018)

(Millions of yen)

	Share capital	Capital surplus	Treasury shares	Total other components of equity	Retained earnings	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as of April 1, 2018	1,993	1,934	(2)	(264)	3,395	7,056	1,440	8,497
Profit	-	-	-	-	200	200	62	262
Other comprehensive income	-	-	-	41	-	41	(6)	35
Comprehensive income	-	-	-	41	200	242	55	298
Dividends of surplus	-	-	-	-	(398)	(398)	-	(398)
Share-based remuneration transactions	1	95	-	-	-	96	-	96
Increase (decrease) by business combination	-	(780)	-	-	-	(780)	(718)	(1,498)
Transfer from other components of equity to retained earnings	-	-	-	2	(2)	-	-	-
Other	-	-	-	-	-	-	0	0
Total transactions with owners	1	(685)	-	2	(400)	(1,082)	(718)	(1,800)
Balance as of June 30, 2018	1,994	1,249	(2)	(219)	3,195	6,217	777	6,994

First three months of FY3/20 (Apr. 1, 2019 – Jun. 30, 2019)

(Millions of yen)

	Share capital	Capital surplus	Treasury shares	Total other components of equity	Retained earnings	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as of April 1, 2019	2,017	(1,733)	(2)	(612)	4,538	4,206	625	4,831
Profit	-	-	-	-	652	652	55	708
Other comprehensive income	-	-	-	(382)	-	(382)	(15)	(397)
Comprehensive income	-	-	-	(382)	652	270	40	310
Dividends of surplus	-	-	-	-	(400)	(400)	-	(400)
Share-based remuneration transactions	2	72	-	-	-	74	-	74
Increase (decrease) by business combination	-	(1,104)	-	-	-	(1,104)	(4)	(1,109)
Transfer from other components of equity to retained earnings	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	5	5
Total transactions with owners	2	(1,032)	-	-	(400)	(1,429)	0	(1,428)
Balance as of June 30, 2019	2,019	(2,765)	(2)	(995)	4,790	3,047	666	3,713

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	First three months of FY3/19 (Apr. 1, 2018 – Jun. 30, 2018)	First three months of FY3/20 (Apr. 1, 2019 – Jun. 30, 2019)
Cash flows from operating activities		
Profit before tax	524	1,069
Depreciation and amortization	334	405
Share-based remuneration expenses	84	66
Decrease (increase) in trade receivables	(14)	93
Increase (decrease) in trade payables	12	(26)
Other	(468)	72
Subtotal	473	1,680
Interest and dividends received	0	2
Interest paid	(35)	(29)
Income taxes paid	(411)	(822)
Net cash provided by (used in) operating activities	27	830
Cash flows from investing activities		
Purchase of property, plant and equipment, and intangible assets	(189)	(256)
Purchase of investment securities	(108)	(30)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(2,496)	(1,504)
Other	201	(1)
Net cash provided by (used in) investing activities	(2,593)	(1,793)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,982)	554
Proceeds from long-term borrowings	3,397	2,151
Repayments of long-term borrowings	(197)	(735)
Repayments of lease obligations	(253)	(257)
Purchase of investments in subsidiaries not resulting in change in scope of consolidation	(1,378)	(847)
Dividends paid	(397)	(389)
Other	170	3
Net cash provided by (used in) financing activities	(641)	479
Effect of exchange rate changes on cash and cash equivalents	13	7
Net increase (decrease) in cash and cash equivalents	(3,193)	(475)
Cash and cash equivalents at beginning of period	9,159	6,862
Cash and cash equivalents at end of period	5,966	6,386

(5) Notes to Condensed Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Segment and Other Information

(1) Overview of reportable segments

The Group’s operating segments are components of the Group that are categorized by type of services provided. The Group determines reportable segments based on the operating segments for which discrete financial information is available and the Group’s chief operating decision maker regularly reviews to make decisions about allocation of management resources and assess their performance. As a result, the six reportable segments are identified with the details described as follows.

Reportable segment	Business activities
Sales Outsourcing Business	Engaged primarily in the temporary staffing/permanent placement and consignment services for sales operations at major home appliance retailers, etc.
Call Center Outsourcing Business	Engaged primarily in the temporary staffing/permanent placement of skilled personnel for companies and offices that operate call centers in Japan.
Factory Outsourcing Business	Engaged primarily in the consignment services and temporary staffing/permanent placement of workers mainly for light work at factories and other sites.
Care Support Business	Engaged primarily in the temporary staffing/permanent placement of nursing care personnel at nursing care and other facilities.
Overseas Human Resources Business	Engaged primarily in the temporary staffing/permanent placement in the ASEAN and Oceania regions.
HR Support Business for Startups	Engaged primarily in the permanent placement and other HR support business for startups in the internet, IoT and other growth industries.

In addition to the above, temporary staffing for assistant foreign language teachers (ALT), temporary staffing/permanent placement for construction management engineers are included in the “Others” segment.

(2) Information on reportable segments

Segment profit of the reportable segments is measured based on operating profit under Japanese GAAP with adjustment to operating profit of the consolidated financial statements prepared under IFRS.

First three months of FY3/19 (Apr. 1, 2018 – Jun. 30, 2018) (Millions of yen)

	Reportable segment						
	Sales Outsourcing	Call Center Outsourcing	Factory Outsourcing	Care Support	Overseas Human Resources	HR Support for Startups	Total
Revenue							
External revenue	5,371	3,905	4,732	2,067	5,806	245	22,129
Inter-segment revenue (Note 1)	-	-	-	-	-	-	-
Total	5,371	3,905	4,732	2,067	5,806	245	22,129
Segment profit	281	130	197	(20)	267	51	908

	Others	Adjustment (Note 2)	IFRS adjustment (Note 3)	Amounts recorded in consolidated financial statements
Revenue				
External revenue	1,394	-	(327)	23,196
Inter-segment revenue (Note 1)	2	(2)	-	-
Total	1,397	(2)	(327)	23,196
Segment profit	40	(480)	51	519

Notes: 1. Inter-segment revenue is measured based on normal market prices.

2. The negative adjustment of 480 million yen to segment profit includes elimination of 2 million yen for inter-segment transactions and corporate expenses of minus 482 million yen that are not allocated to any of the operating segments. Corporate expenses mainly consist of general and administrative expenses that are not attributable to any of the operating segments.

3. The 51 million yen IFRS adjustment to segment profit reflects reversal of amortization of goodwill and recognition of expenses associated with accrued paid leave, and others.

First three months of FY3/20 (Apr. 1, 2019 – Jun. 30, 2019) (Millions of yen)

	Reportable segment						
	Sales Outsourcing	Call Center Outsourcing	Factory Outsourcing	Care Support	Overseas Human Resources	HR Support for Startups	Total
Revenue							
External revenue	5,385	3,868	5,818	2,586	9,107	261	27,028
Inter-segment revenue (Note 1)	-	2	0	-	-	-	3
Total	5,385	3,871	5,818	2,586	9,107	261	27,031
Segment profit	374	227	335	54	246	61	1,299

	Others	Adjustment (Note 2)	IFRS adjustment (Note 3)	Amounts recorded in consolidated financial statements
Revenue				
External revenue	2,344	-	-	29,372
Inter-segment revenue (Note 1)	4	(8)	-	-
Total	2,349	(8)	-	29,372
Segment profit	(42)	(439)	280	1,097

Notes: 1. Inter-segment revenue is measured based on normal market prices.

2. The negative adjustment of 439 million yen to segment profit includes elimination of 8 million yen for inter-segment transactions and corporate expenses of minus 447 million yen that are not allocated to any of the operating segments. Corporate expenses mainly consist of general and administrative expenses that are not attributable to any of the operating segments.

3. The 280 million yen IFRS adjustment to segment profit reflects reversal of amortization of goodwill and recognition of expenses associated with accrued paid leave, and others.

This financial report is solely a translation of the Company's Kessan Tanshin (including attachments) in Japanese, which has been prepared in accordance with International Financial Reporting Standards (IFRSs), for the convenience of readers who prefer an English translation.