

# Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2016 (Based on Japanese GAAP)

August 10, 2016

Company name: Temp Holdings Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 2181 URL <http://www.temp-holdings.co.jp>  
 Representative: President, Chief Executive Officer, and Representative Director Masamichi Mizuta  
 Executive Vice President, Chief Financial Officer, and Director Kiyoshi Seki TEL 03-3375-2220  
 Scheduled date to file Quarterly Securities Report: August 10, 2016  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

#### (1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2016	137,404	15.3	9,257	41.1	9,475	44.0	6,209	48.2
Three months ended June 30, 2015	119,173	24.4	6,561	16.9	6,578	16.1	4,190	21.4

Note: Comprehensive income Three months ended June 30, 2016 ¥5,733 million [34.1%]  
 Three months ended June 30, 2015 ¥4,274 million [56.3%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2016	26.48	26.38
Three months ended June 30, 2015	19.02	17.80

Note: The Company conducted the stock split at a ratio of 1:3 of common shares on October 29, 2015. Earnings per share and diluted earnings per share have been calculated on the basis that the stock split had been effective at the beginning of the year ended March 31, 2015.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2016	242,404	137,499	54.1
As of March 31, 2016	236,238	133,501	53.8

Reference: Equity As of June 30, 2016 ¥131,105 million  
 As of March 31, 2016 ¥127,205 million

## 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2016	–	18.00	–	7.00	25.00
Year ending March 31, 2017	–				
Year ending March 31, 2017 (Forecast)		7.00	–	7.00	14.00

Note: Revision of cash dividend forecast most recently announced: No

Notes:

- (1) The Company conducted a stock split at a ratio of 1:3 of common shares on October 29, 2015. Year-end dividends for the year ended March 31, 2016 is provided after taking into consideration of the above stock split.
- (2) If the above stock split is not considered, year-end dividends and total of dividends for the year ended March 31, 2016 is 21 yen and 39 yen respectively.

## 3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2016	271,000	10.1	15,000	12.8	15,100	13.1	9,600	18.5	40.94
Full year	584,000	12.8	31,700	13.0	31,900	13.2	20,100	15.8	85.71

Note: Revision of consolidated financial results forecast most recently announced: Yes

## 4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2016  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements  
Changes in accounting policies due to revisions to accounting standards and other regulations: Yes  
Changes in accounting policies due to other reasons: No  
Changes in accounting estimates: No  
Restatement of prior period financial statements: No

### (4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2016	235,825,537 shares	As of March 31, 2016	235,791,100 shares
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Number of treasury shares at the end of the period

As of June 30, 2016	1,289,156 shares	As of March 31, 2016	1,288,875 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2016	234,520,865 shares	Three months ended June 30, 2015	220,304,546 shares
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Note: The Company conducted the stock split at a ratio of 1:3 of common shares on October 29, 2015. Number of issued shares (common shares) has been calculated on the basis that the stock split had been effective at the beginning of the year ended March 31, 2016.

### \* Implementation status of auditing procedures

This quarterly financial results report is exempt from the quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results report, the review procedures for consolidated financial statements in accordance with the Financial Instruments and Exchange Act have not been completed.

### \* Proper use of earnings forecasts, and other special matters

The above forecasts of consolidated financial results are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Consequently, actual business and other results may differ substantially due to various factors.

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	51,227	62,260
Notes and accounts receivable - trade	69,524	66,714
Deferred tax assets	3,987	3,182
Other	6,006	6,451
Allowance for doubtful accounts	(134)	(143)
Total current assets	130,611	138,466
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,106	2,184
Tools, furniture and fixtures, net	1,123	1,149
Land	803	803
Other, net	476	366
Total property, plant and equipment	4,510	4,503
Intangible assets		
Trademark right	10,110	10,004
Goodwill	70,302	68,634
Other	5,774	6,803
Total intangible assets	86,187	85,442
Investments and other assets		
Investment securities	7,228	6,421
Guarantee deposits	5,597	5,612
Deferred tax assets	1,534	1,517
Other	716	587
Allowance for doubtful accounts	(146)	(146)
Total investments and other assets	14,929	13,991
Total non-current assets	105,627	103,938
Total assets	236,238	242,404

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Liabilities		
Current liabilities		
Accounts payable - trade	902	1,342
Short-term loans payable	787	572
Current portion of long-term loans payable	4,640	4,640
Accounts payable - other	33,152	40,437
Income taxes payable	5,321	2,763
Accrued consumption taxes	7,664	9,509
Provision for bonuses	8,242	5,865
Provision for directors' bonuses	139	62
Other	6,632	6,048
Total current liabilities	67,482	71,241
Non-current liabilities		
Convertible bond-type bonds with subscription rights to shares	851	819
Long-term loans payable	24,993	24,993
Deferred tax liabilities	3,638	3,361
Net defined benefit liability	2,657	954
Long-term accounts payable - other	3,017	3,399
Other	97	135
Total non-current liabilities	35,255	33,663
Total liabilities	102,737	104,904
Net assets		
Shareholders' equity		
Capital stock	17,055	17,071
Capital surplus	20,520	20,536
Retained earnings	88,134	92,702
Treasury shares	(327)	(328)
Total shareholders' equity	125,382	129,981
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,945	1,369
Foreign currency translation adjustment	72	(245)
Remeasurements of defined benefit plans	(194)	—
Total accumulated other comprehensive income	1,823	1,123
Non-controlling interests	6,295	6,393
Total net assets	133,501	137,499
Total liabilities and net assets	236,238	242,404

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Net sales	119,173	137,404
Cost of sales	90,646	103,031
Gross profit	28,527	34,372
Selling, general and administrative expenses	21,965	25,115
Operating income	6,561	9,257
Non-operating income		
Interest income	1	3
Dividend income	38	43
Subsidy income	19	56
Compensation income	—	55
Share of profit of entities accounted for using equity method	—	68
Other	30	48
Total non-operating income	89	276
Non-operating expenses		
Interest expenses	34	34
Share of loss of entities accounted for using equity method	17	—
Foreign exchange losses	4	14
Other	16	9
Total non-operating expenses	73	58
Ordinary income	6,578	9,475
Extraordinary income		
Gain on transfer of business	157	—
Gain on revision of retirement benefit plan	460	187
Total extraordinary income	618	187
Extraordinary losses		
Loss on disposal of non-current assets	0	—
Loss on sales of investment securities	24	—
Total extraordinary losses	24	—
Profit before income taxes	7,171	9,662
Income taxes - current	1,639	2,511
Income taxes - deferred	1,141	685
Total income taxes	2,781	3,196
Profit	4,390	6,466
Profit attributable to non-controlling interests	200	256
Profit attributable to owners of parent	4,190	6,209

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Profit	4,390	6,466
Other comprehensive income		
Valuation difference on available-for-sale securities	(73)	(576)
Foreign currency translation adjustment	(43)	(350)
Remeasurements of defined benefit plans, net of tax	0	194
Total other comprehensive income	(115)	(732)
Comprehensive income	4,274	5,733
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,047	5,517
Comprehensive income attributable to non-controlling interests	226	216